

**CORPORATE SOCIAL RESPONSIBILITY AND
SUSTAINABLE DEVELOPMENT IN SUB-
SAHARAN AFRICA. EXPLORING THE
PERCEPTIONS OF UGANDAN SMEs.**

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requirements of
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Declaration

Whilst registered as a candidate for the above degree, I have not been registered for any other research award. The results and conclusions embodied in this thesis are the work of the named candidate and have not been submitted for any other academic award.

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My ambition to undertake doctoral study was first articulated over 20 years ago, and was inspired by my parents, Lawrence and Mary (RIP), who have helped nurture the idea ever since, and encouraged a commitment to continuous learning. It's been a long time coming and finally it is here. I thank you for giving me the thirst for knowledge and debate, and for teaching me how to be a man. That combination has kept me moving forward even in my darkest days...

I dedicate this to you and '*Kiptyn Beryl Mpagi*', who might even read this thesis someday.

Derby, May 2013

Abstract

As human beings, we cannot avoid the implications of non-sustainable programmes, activities or lifestyles by just ignoring them. Thus, sustainable development (SD) becomes everyone's business. However, there is a belief – especially in developing economies – that SD is the responsibility of the government and/or large businesses. Nevertheless, things are shifting to emphasise the growing responsibility of everyone, including small and medium enterprises (SMEs), who broadly contribute towards the SD agenda by engaging with corporate social responsibility (CSR).

Wider stakeholders in developing regions such as sub-Saharan Africa are also beginning to actively engage with the sustainability notion. As a result, businesses, especially SMEs, are faced with the need to respond to stakeholder demands for inclusive SME models that go beyond traditional CSR practices to alternatives that form synergies between themselves and SD goals. Worse still, the CSR research is fragmentary, and SMEs' CSR engagement and contributions towards SD goals tend to go unnoticed, as more focus is put on large corporations (Smith and Thompson, 1991), despite SMEs' undisputed economic importance.

Using a form of analytic induction to evaluate qualitative case-study data from the SME perspective, this research project addresses this gap in the literature with the question: 'What is the SME/CSR role and opportunity in addressing sustainability challenges in sub-Saharan African economies?' In such a weak and ambiguously regulated environment, the research endeavours to bridge the gap between SME/CSR research and stakeholders by exploring SMEs' CSR understanding, drivers and nature, and how their engagement in CSR might contribute to SD.

The research findings show that SME owner-managers' CSR understandings are skewed towards solving societal development challenges. The study offers evidence that the firm's size does not necessarily determine the context, nature and extent to which it engages with CSR, and thus contribute towards SD. The research contributes to knowledge by suggesting an alternative Stakeholder Engagement Framework (SHEF) and Co-productive Stakeholder Engagement Model (CPSEM) through which SMEs can co-produce solutions to global development challenges by achieving more, for more, with less.

Key words: SMEs; CSR; SHE & SD

TABLE OF CONTENTS

CHAPTER 1: RESEARCH OVERVIEW.....	1
1.1 INTRODUCTION	1
1.2 BACKGROUND AND RATIONALE FOR THE RESEARCH.....	1
1.3 RESEARCH PROBLEM: A GAP IN KNOWLEDGE AND PRACTICE	2
1.4 PRIMARY RESEARCH QUESTION	5
1.5 RESEARCH OBJECTIVES	5
1.6 ABOUT WBCSD-BCSDU	5
1.6.1 WBCSD.....	5
1.7.2 BCSDU.....	6
1.7.3 SME-Sustainability project	7
1.7 POSITIONING THE RESEARCH PROJECT	7
1.9 PHILOSOPHICAL ORIENTATION AND RESEARCH APPROACH.....	13
1.9.1 RIGOUR AND VALIDITY	15
1.10 SIGNIFICANCE OF THE STUDY	16
1.10.1 Contribution to knowledge.....	16
1.10.2 Contribution to practice	17
1.11 THESIS STRUCTURE	17
1.12 SUMMARY OF CHAPTER 1.....	19
CHAPTER 2: SME, CSR, SHE AND SD LITERATURE REVIEW	20
2.1 INTRODUCTION	20
2.2 SMES	20
2.2.1 Definition of an SME.....	20
2.2.2 SME definition in Uganda.....	25
2.2.3 SME characteristics	28
2.2.4 SIGNIFICANCE OF SMES TO THE UGANDAN ECONOMY.....	28
2.3 CORPORATE SOCIAL RESPONSIBILITY (CSR).....	31
2.3.1 THE DEFINITION OF CSR	31
2.3.2 EVOLUTION OF CSR.....	36
2.3.3 CSR THEORIES AND RELATED APPROACHES.....	40
2.3.4 CSR IN DEVELOPING ECONOMIES.....	47
2.3.5 THE SME/CSR INTERFACE.....	52
2.3.6 TYPES OF SME/CSR ACTIVITIES.....	55
2.3.7 BUSINESS MOTIVES FOR ADOPTING CSR.....	59
2.3.8 THE BUSINESS CASE FOR CSR IN DEVELOPING ECONOMIES	63
2.4 SUSTAINABLE DEVELOPMENT (SD)	69
2.4.1 The definition of SD	69
2.4.2 The business paradigms of SD	73
2.4.3 CSR and SD.....	77
2.4.4 Measuring a business' contribution to SD.....	82
2.4.5 Millennium Development Goals (MDGs).....	84
2.4.6 The business case for SD	85
2.4.7 Obstacles for developing-economy SMEs to contribute towards SD	86
2.5 SUMMARY OF CHAPTER 2.....	89
CHAPTER 3: RESEARCH METHODOLOGY.....	90
3.1 INTRODUCTION	90
3.2 RESEARCH PARADIGMS.....	90
3.3 LOCATING A PARADIGM AROUND THIS RESEARCH SUBJECT	95
3.3.1 CSR and SD	95
3.3.2 Interpretive paradigm.....	96
3.4 ONTOLOGY – A THEORETICAL PERSPECTIVE.....	97
3.5 EPISTEMOLOGY	98
3.6 RESEARCH APPROACH/CHOICE.....	100
3.6.1 Qualitative approach	100
3.6.2 Life-history method.....	101
3.6.3 Reflexivity.....	103
3.7 DATA GATHERING.....	104
3.7.1 Research techniques	104

TABLE OF CONTENTS

3.7.2 Types of interviews.....	105
3.7.3 Sample selection.....	106
3.7.4 Research phases	108
3.7.5 Interview process	110
3.8 TRANSCRIBING AND CODING.....	111
3.9 VALIDITY AND RELIABILITY OF RESEARCH, AND GENERALISATION.....	112
3.10 ETHICAL CONSIDERATIONS	114
3.11 CHAPTER SUMMARY	115
CHAPTER 4: DATA PRESENTATION AND ANALYSIS.....	117
4.1 INTRODUCTION	117
4.2 OVERVIEW OF PARTICIPANTS	117
4.3 DATA ANALYSIS.....	125
4.3.1 CSR DEFINITION	125
4.4 SME/CSR DRIVERS	129
4.4.1 Intrinsic CSR motives	130
4.4.1.1 Experiences.....	130
4.4.1.2 Desires	132
4.4.1.3 Beliefs	137
4.4.2 EXTRINSIC CSR DRIVERS	141
4.4.2.1 Globalisation drivers	141
4.4.2.2 Market CSR drivers	144
4.4.2.3 Social CSR drivers	144
4.5 CSR PRACTICES	147
4.5.1 Philanthropy	148
4.5.2 Strategic philanthropic practices.....	151
5.3.5.1 Environmental protection awareness.....	152
4.5.2 Supply chain practices.....	155
4.3.5.3 Equality and diversity practises.....	156
4.4 SUMMARY OF RESEARCH DATA PRESENTED	158
CHAPTER 5: STAKEHOLDER ENGAGEMENT IN PRACTICE	159
5.1 INTRODUCTION	159
5.2 BCSDU'S ENGAGEMENT WITH SMEs – BACKGROUND	159
5.3 STAKEHOLDER ACTIVISM – THE PROBLEM FOR OWNER-MANAGERS	160
5.4 BCSDU'S SME-SUSTAINABILITY PROJECT – STAKEHOLDER DIALOGUE.....	161
5.5 THE BCSDU STAKEHOLDER ENGAGEMENT FRAMEWORK	163
5.5.1 PLANNING.....	166
5.5.2 Engaging.....	167
5.5.3 Reviewing and evaluation.....	172
5.7 SUMMARY OF CHAPTER 5.....	174
CHAPTER 6: DISCUSSION	175
6.1 INTRODUCTION	175
6.2 DISCUSSION	175
6.2.1 SME owner-managers' CSR understanding	175
6.2.2 SME owner-manager: the key driver of CSR.....	184
6.2.3 Philanthropic CSR practices.....	186
6.2.3.1 Experiences driving philanthropy.....	187
6.2.3.2 Desires' influence on philanthropy	188
7.2.3.3 Beliefs affecting philanthropy.....	191
6.2.4 Stakeholder activism: From 'traditional' to 'strategic' philanthropic practices	192
7.2.4.1 The market influence on strategic CSR practises	194
7.2.4.2 Social motives and strategic philanthropy	195
6.2.4.3 Globalisation and strategic philanthropy	196
6.2.5 BCSDU's SHEF – the theoretical and practical underpinning.....	197
6.2.6 Matching SME/CSR and community development	199
6.2.6.1 SME/CSR contribution to societal wellbeing.....	200
6.2.6.2 SME/CSR contribution to community economic development.....	203
6.2.6.3 SME/CSR as an environmental conservation strategy.....	206

TABLE OF CONTENTS

6.2.7 SME/CSR contribution to SD	208
6.2.8 MDGs: SME/CSR contribution to SD	211
6.3 CHAPTER SUMMARY	225
CHAPTER 7: CONCLUSIONS	226
7.1 INTRODUCTION	226
7.2 FINDINGS AND ASSOCIATED CONTRIBUTION TO KNOWLEDGE.....	226
7.2.1 Finding 1: the meaning of CSR amongst SME owner-managers	226
7.2.2 Finding 2: drivers and nature of SME/CSR.....	228
7.2.3 Finding 3 – CSR is independent of business size, sector and location	230
7.2.4 Findings 4: Reinventing SHEF.....	232
7.2.5 Finding 5: SME/CSR contributions to SD through co-produced SHE	233
7.2.7 Other theoretical considerations and implications.....	235
7.3 IMPLICATIONS FOR PRACTICE	236
7.3.1 Practitioners	236
7.3.2 Contribution to BCSDU and WBCSD	240
7.4 STUDY LIMITATIONS	242
7.5 FURTHER RESEARCH	245
7.6 RESEARCH RECOMMENDATIONS.....	246
REFERENCES.....	249
APPENDICES	283
APPENDIX A: CHAPTER 8 - PROFESSIONAL DEVELOPMENT	284
8.1 INTRODUCTION	284
8.2 REFLECTIONS	284
8.3 PERSONAL DEVELOPMENT JOURNEY	284
8.4 My SME–SUSTAINABILITY MANAGER ROLE AT BCSDU.....	285
8.5 WHY THE DBA OVER PHD?.....	285
8.6 IDENTIFICATION OF MY LEARNING AND DEVELOPMENT NEEDS.....	286
8.6.1 Career management skills	287
8.6.2 Networking and team-working skills	287
8.6.3 Academic writing skills.....	288
8.6.4 Communication and presentation skills	290
8.6.5 Interpersonal skills.....	291
8.7 REFLECTION ON THE RESEARCH PROCESS.....	291
8.7.1 Choice of the methodological approach.....	293
8.7.2 Data collection and analysis	293
8.7.3 Final thought	294
8.8 CHAPTER SUMMARY	295
APPENDIX B: THE SME/CSR DEVELOPMENT MATRIX	296
APPENDIX C: PARTICIPANTS' PROFILES.....	299
APPENDIX D: ETHICAL REVIEW CHECKLIST	349
APPENDIX E: ETHICAL APPROVAL LETTER FROM BCSU	356
APPENDIX F: LETTER OF REQUEST TO PARTICIPATE IN THE RESEARCH.....	357
APPENDIX G: STATEMENT OF INFORMED CONSENT – INTERVIEW	358
APPENDIX H: DISCUSSION / INTERVIEW GUIDE – PHASE 2 AND 3	359
APPENDIX I: TRANSFERABLE SKILLS THROUGH LIFE ACTIVITIES	362
APPENDIX J: MDG PROGRESS.....	364

LIST OF FIGURES

LIST OF FIGURES

Figure 1.1 World population, 1950-2050.....	3
Figure 1.2 Theoretical framework positioning the research	8
Figure 1.3 Philosophical orientation	14
Figure 2.1 The EC definition of SMEs.....	23
Figure 2.2 MSEPU's SME definition.....	25
Figure 2.3 Timeline of corporate responsibility	37
Figure 2.4 Carroll's CSR Pyramid	39
Figure 2.5 Overview of the Freeman's stakeholder model.....	41
Figure 2.6 Corporate sustainability research classifications	47
Figure 2.7 Classification of literature on CSR in developing countries	48
Figure 2.8 CSR pyramid for developing countries.....	51
Figure 2.9 Overview of SME/CSR activities in Europe.....	57
Figure 2.10 internal activities.....	57
Figure 2.11 External activities.....	58
Figure 2.12 Drivers of CSR in developing countries.....	62
Figure 2.13 Balancing short-term with long-term business benefits	64
Figure 2.14 Areas of correlation between CSR and business performance	67
Figure 2.15 Definitions of SD.....	72
Figure 2.16 Paradigms of SD	75
Figure 2.17 A comparative evolution between CSR and SD	78
Figure 2.18 CSR Attributes towards SD.....	79
Figure 2.19 The Relationship between CSR, CC and SD	80
Figure 2.20 The impact of businesses' on SD	81
Figure 3.1 Range of Research Paradigms	91
Figure 3.2 Advantages of the life-history method.....	102
Figure 3.3 Criteria for using in-depth interviews.....	105
Figure 3.4 Types of interviews	106
Figure 3.5 Phase 2 interview prompt questions	109
Figure 3.6 Phase 3 - examples of interview prompt questions.....	110
Figure 4.1 SME/CSR Drivers.....	129
Figure 4.2 SME/CSR Practices.....	148
Figure 5.1 SME-SHEF	165
Figure 5.2 Co-productive Stakeholder Engagement Model	168
Figure 6.1 Uganda's CSR Pyramid	179
Figure 6.2 SME owner-manager as a key CSR driver.....	185
Figure 6.3 Stakeholders' impact on philanthropy.....	194
Figure 6.4 SME/CSR at the micro level.....	200
Figure 6.5 SME/CSR practices' contributions towards SD	209

LIST OF TABLES

LIST OF TABLES

Table 1.1 Key SME definitions approaches.....	9
Table 1.2 Key CSR concepts, theories and studies	10
Table 1.3 Key SHE concepts and studies	11
Table 1.4 Key SD-related concepts and studies	13
Table 2.1 Examples for qualitative definitions of SMEs.....	22
Table 2.2 SME definition criteria in South Africa.....	24
Table 2.3 World Bank's SME definition.....	27
Table 2.4 Organisational definitions of CSR	32
Table 2.5 Stakeholder theory dimensions.....	43
Table 2.6 CSR theories and related approaches: the summary	45
Table 2.7 SME/CSR studies in the western world	53
Table 2.8 Geographical focus of researches on corporate citizenship in Africa (1995-2005).....	55
Table 2.9 Framework of SD at the microeconomic level	76
Table 3.1 Best beliefs of alternative inquiry paradigms	93
Table 3.2 Validity and reliability approaches for four rigour tests.....	114
Table 4.1 List of participants.....	118
Table 4.2 Profile of Participants: Categories of SMEs in the research	119
Table 4.3 Sampled SMEs by sector.....	120
Table 4.4 Profile of participants: level of SME owner-titles	120
Table 4.5 Participants' relationship with the researcher.....	121
Table 4.6 Participants' gender	121
Table 4.7 Educational background.....	122
Table 4.8 Participants' further education and business managerial experience	123
Table 4.9 International and CSR experience.....	124
Table 4.10 understanding of CSR terminology	126
Table 5.1 Differences between the traditional model and CPSEM.....	169
Table 6.1 CSR definition dimensions.....	182
Table 8.1 DBA activities vs skills developed	291

ABBREVIATIONS

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AFDB	African Development Bank
ATS	African Traditional Society
BCSDU	The Business Council for Sustainable Development Uganda
BOP	Bottom of the Pyramid
CPSEM	Co-Productive Stakeholder Engagement Model
CSR	Corporate social responsibility
DANIDA	Danish International Development Agency
DCCA	Danish Commerce and Companies Agency
ECO	Environmental Careers Organization
EC	European Commission
EMSF	European Multi-Stakeholder Forum
EOSMEs	European Observatory of Small and Medium Enterprises
FSB	Federation of Small Businesses
GRI	Global Reporting Initiative
HR	Human Recourses
IT	Information Technology
MDGs	Millennium Development Goals
MNCs	Multi-national corporations
NGOs	Non-governmental organisations
OECD	Organization for Economic Cooperation and Development
PR	Public Relations
SD	Sustainable development
SHE	Stakeholder engagement
SHEF	Stakeholder Engagement Framework
SHNs	Stakeholder Needs
SME	Small and medium enterprises
TBL	Triple bottom line
TNCs	Transnational corporations
UN	United Nations
UNEP	United Nations Environment Programme
UNESCO	United Nations Economic and Social Council
UNGA	United Nations General Assembly
USAID	United States Agency for International Development
USNRC	United States National Research Council
WBCSD	World Council for Sustainable Development
WBG	World Bank Group

GLOSSARY

GLOSSARY

CSR	the commitment of businesses to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve overall quality of life
Extrinsic CSR motives	motivations that are external to the business owners' conscience to engage with CSR
Gender parity index	is a socioeconomic index to calculate the quotient of the number of females by the number of males enrolled in a given stage of education (primary, secondary, etc.)
Inclusive SME models	provide innovative solutions to supply affordable products and services to meet basic needs of the poor for water, food, sanitation, housing and healthcare, as well as creating income and employment opportunities for low-income communities – either directly or through companies' value chains as suppliers, distributors, retailers and service providers
Inclusivity	is the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability
Intrinsic CSR motives	Motivations driven by interest or enjoyment to engage with CSR.
SD	development that meets the needs of the present without compromising future generations' abilities to meet their own needs
SHE	process used by a business engages with relevant stakeholders for a clear purpose to achieve accepted and positive outcomes
SME	any independently owned and operated business setting that employs between 1 and 100 people
Stakeholders	individuals, groups of individuals or organisations that affect and/or could be affected positively or negatively by an organisation's activities, products or services and associated performance with regard to the issues to be addressed by the engagement

CHAPTER ONE

CHAPTER 1: RESEARCH OVERVIEW

1.1 Introduction

This chapter introduces and discusses the rationale behind the research. It addresses the research approach and objectives, concluding with an outline of the thesis structure.

1.2 Background and rationale for the research

This research is rooted in the researcher's personal development needs and requirements associated with an SME-sustainability management role in one of the World Business Council for Sustainable Development's (WBCSD) regional networks – The Business Council for Sustainable Development Uganda (BCSDU), based in Uganda, East Africa.

The role required identifying inclusive SME models that provide sustainable solutions which go beyond traditional philanthropy towards expanding access to goods, services, and livelihood opportunities for low-income communities in commercially viable ways (WBCSD, 2010). Such models were non-existent, both within BCSDU's registered SMEs and in literature, and therefore a means of acquiring and sharing such knowledge was required. With support and recommendations from WBCSD and BCSDU, the author enrolled for a Doctorate of Business Administration (DBA) in 2006. The aim was to carry out research exploring the roles and opportunities (if any) for SMEs in addressing development challenges in sub-Saharan African developing countries, with particular emphasis on the external social, economic and environmental responsibility domains in Uganda.

The study focuses on external social responsibility practices, as opposed to the internal dimension. This is because internal socially responsible practices primarily relate to the management of natural resources used in the production of goods and services (EC, 2002), which would not encourage discussion of SMEs' contributions towards development. It is further believed that the

CHAPTER ONE

external CSR dimension is important to today's managers, as it is central to their businesses' fight against development challenges (Curran et al., 2000).

Business entities are increasingly taking account of the social, environmental and ethical impact of their commercial operations (De-Bakker et al., 2005). However, as Besser and Miller (2000) suggest, little is known empirically about CSR in relation to SMEs' contributions to society, nor about the connections between SME owner-managers' attitudes or behaviours and their engagement with CSR, or even the overall SME/CSR contribution to SD, especially in developing economies.

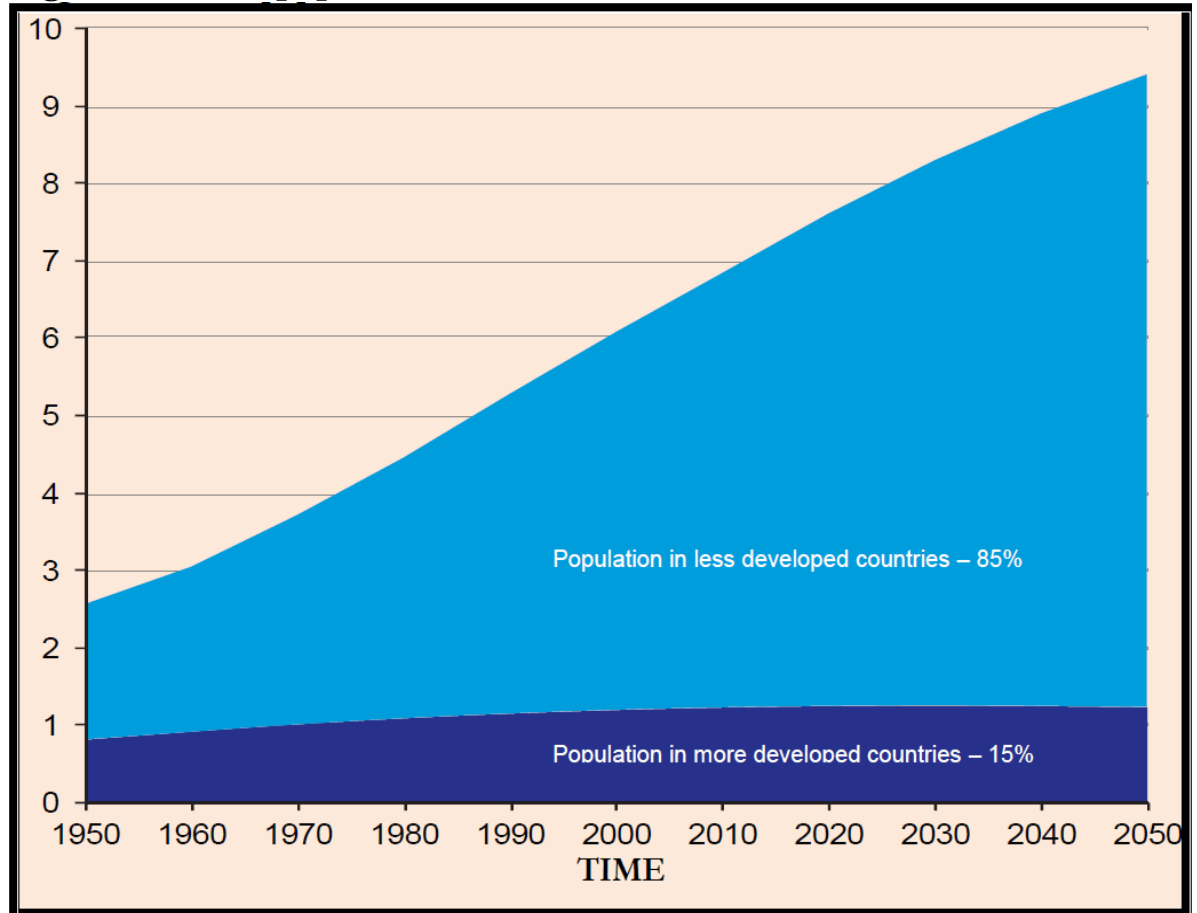
Similarly, Tilley (2005) stresses the lack of research in SME/CSR areas and SME owner-managers' CSR drivers, especially in developing economies where SMEs are believed to make up more than 90% of businesses, and account for 50-60% of employment (Kennedy and Hobohm, 1999; Spence, 2000). Worthington et al. (2008, p. 96) also expressed the need to explore 'the drivers and barriers to socially responsible behaviour from a small firm perspective' to overcome the limited understanding of SME owner-managers' attitudes to CSR. It is against this background and the researcher's role at BCSDU that this research was undertaken.

1.3 Research problem: a gap in knowledge and practice

The UN (2011) estimates that the world's current population of 6.9 billion (Figure 1.1) will increase by 77 million persons from 2005, to reach 9.3 billion by 2050. This growth - 85% of which comes from less developed economies – is determined by the path of future fertility levels. Worryingly, population growth in these regions is inevitable even if the fertility level declines (UN, 2011b)

CHAPTER ONE

Figure 1.1 World population, 1950-2050



Source: Department of Economic and Social Affairs, 2010

WBCSD (2010b) has a two-fold view on this prediction: firstly, for businesses, it is good news in that there will be an extra 2.33 billion new consumers. Secondly, the bad news is that diminishing resources and potentially changing climates will limit the ability of all 9.3 billion people to maintain a consumptive lifestyle. For businesses to operate alongside these seemingly conflicting imperatives, there is a global need for a transition towards a more inclusive, sustainable, low-carbon and resource-efficient society – i.e. the initial goal of the SD agenda.

Whilst SD emerged as an issue for governments and large international companies, there is consensus today that SD is a global concern (Runnalls, 2002). As a result, businesses too have to engage in some kind of social responsibility practice(s), thereby broadly contributing towards the SD agenda (DTI, 2004; EC, 2001, 2002). While WBCSD provides a platform for businesses to explore SD by helping them and their stakeholders to implement ‘inclusive

CHAPTER ONE

business models', far fewer SMEs formally engage with CSR, compared to their large counterparts. This could explain the lack of literature about SMEs' CSR engagement, and the WBCSD's failure to translate large-business approaches to SMEs, especially in developing countries.

A counter-argument could be that SMEs' CSR engagement and contributions towards SD have gone unnoticed, as more focus is put on large corporations (Smith and Thompson, 1991), despite SMEs' undisputed economic importance (Chapter 2). The EOSMEs (2002, p.52) notes that SMEs' contributions to SD through CSR have received little attention from researchers, think tanks and international bodies in comparison to those of large enterprises, although this is beginning to change as large-business CSR issues and practices are being noticeably duplicated in SMEs.

The problem, however, is that many of the concerns underlying CSR and SD in large businesses cannot be wholly transferred to SMEs, especially in developing economies (UNIDO, 2002). This is because (for example) SMEs in developing countries operate under very different conditions to those of large businesses in developed countries. Understanding the large-business/CSR interface does not necessarily provide an understanding of SME/CSR. It is inaccurate, therefore, to assume that features of SME/CSR in developing economies are comparable to CSR in large western businesses.

Besser and Miller (2000) stress that the lack of academic SME/CSR attention has promoted concern in relation to 'SME social responsibility' as a research topic, and its overall contribution towards SD, especially in sub-Saharan Africa where SMEs make up the majority of businesses. Similarly, this thesis is driven by the researcher's own work experience. As a project manager, the researcher had an objective to increase BCSDU's SME membership. Disappointingly, existing CSR literature focuses primarily on large businesses; thus, there is a clear need for a richer stream of empirical data exploring SME/CSR and SD engagement.

CHAPTER ONE

1.4 Primary research question

What is the SME/CSR role and opportunity for addressing sustainability challenges in sub-Saharan African economies?

1.5 Research objectives

- Develop an understanding of what CSR means to SME owner-managers in Uganda.
- Explore the nature and drivers of external CSR practices/activities amongst SMEs in Uganda.
- Develop a conceptual model for SMEs to adopt in identifying and engaging with CSR activities aimed at community development.
- Explore whether SME/CSR practices contribute towards SD in Uganda.

1.6 About WBCSD-BCSDU

1.6.1 WBCSD

WBCSD is a coalition of over 200 international companies united by a shared commitment to SD via the three pillars of economic growth, ecological balance and social progress. WBCSD's members span more than 30 countries and 22 sectors working towards the following aims:

- Being a leading business advocate for SD;
- Participating in policy development to create the right framework conditions for businesses to effectively contribute to sustainable human progress;
- Developing and promoting the business case for SD;
- Demonstrating the business contribution to SD solutions and sharing cutting-edge practices among members;
- Contributing to a sustainable future for developing nations and nations in transition.

(WBCSD, 2005b)

CHAPTER ONE

In contributing to the sustainable future of developing countries like Uganda, WBCSD embraces CSR as a means through which businesses can contribute towards SD (WBCSD, 2002). CSR is firmly included in WBCSD's global policy agenda, with an emphasis on development challenges including human rights, employee rights, environmental protection, supplier relations and community involvement. It promotes CSR in collaboration with a number of regional stakeholder networks consisting of an informal configuration of over 60 regional and national independent organisations, for which BCSDU is one of the sub-Saharan African representatives.

1.7.2 BCSDU

BCSDU is a CEO-led business organisation with a commitment to providing business leadership for SD in Uganda. This membership-oriented organisation comprises voluntary local and multi-national businesses, and recently SMEs. WBCSD encourages SMEs worldwide to network with each other, as well as large businesses or MNCs, to maintain stakeholder values (WBCSD, 2005b). BCSDU's members work together towards SD in Uganda through practical programmes, collaborations or partnerships, and policy engagement. BCSDU runs numerous cutting-edge initiatives aimed at implementing CSR practices within its member-businesses, and cooperates with decision-makers in creating corporate sustainability frameworks.

Since its setup in 2005, BCSDU has advocated the collective role of businesses in supporting a healthy natural environment, stable democracy and growing economy. BCSDU aims at constructive engagement and strategic collective action for businesses in shaping their economic and social environment. This aim is achieved by:

1. Providing access to the latest thinking and best business practices on SD.
2. Offering access to WBCSD learning by sharing opportunities, tools and capacity-building materials.
3. Facilitating collective business action and critical social dialogue.

CHAPTER ONE

4. Implementing strategic projects backed by rigorous policy analysis and research.
5. Working with local businesses in building relationships and trust with stakeholders.

BCSDU delivers its services to registered local businesses through five focus projects, each of which are led by a project manager. The projects include development, climate change, ecosystems, business as usual and the SME-sustainability project, which was initiated in 2006, and was managed by the researcher and focused on including SMEs in the SD agenda.

1.7.3 SME-Sustainability project

The SME-Sustainability project, which was managed by the researcher, had two objectives; firstly to introduce and promote the sustainability agenda to SMEs and thereby increase BCSDU's SME membership by 75% in its first two years of operation; and secondly, to develop an inclusive SME engagement model and framework for SMEs to understand and effect stakeholder needs (SHNs). Both targets were in fulfilment of WBCSD's affiliation code of conduct, and UNESCO's SME-sustainability inclusion agenda and multilateral funding criteria. Achieving these targets was subject to local SMEs engaging in CSR practices. CSR and the overall sustainability agenda is new and less understood in sub-Saharan Africa, especially amongst SMEs (Newell and Frynas, 2007; Nkiko and Katamba, 2010), thus creating an opportunity for the researcher to contribute to practice (Chapter 5) by working practically with BCSDU's SMEs to engage with external stakeholders, CSR and SD.

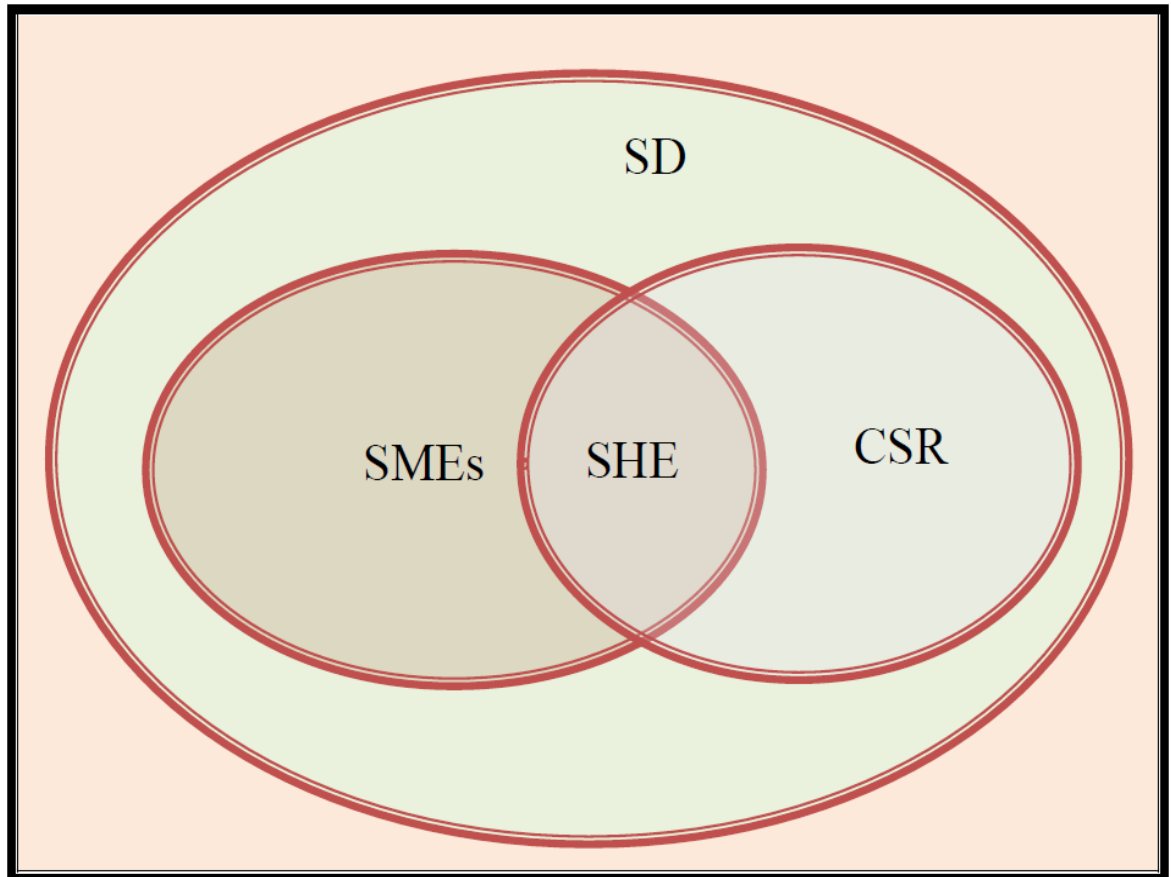
1.7 Positioning the research project

The research topic seeks to understand and explore the inter-related academic concepts of SME, CSR, SHE and SD literature. The SME/CSR perspective focuses on SMEs' external CSR practices, and the means through which owner-managers are motivated to engage in those practices. The SD side focuses on

CHAPTER ONE

how the SME/CSR concept contributes to the SD agenda in sub-Saharan economies. Figure 1.2 illustrates how the research topic is positioned within this study.

Figure 2.2 Theoretical framework positioning the research



Source: Compiled by the author.

Figure 1.2 introduces the theoretical underpinnings of the four research aspects (SMEs, CSR, SHE and SD). The categories within these key concepts are interrelated, and their application in this study is summarised in the form of a theoretical framework in the following sub-sections. A detailed analysis of concepts under the theoretical framework in Figure 1.2 are introduced in the following sub-section, and discussed in detail in Chapters 2 and 4.

CHAPTER ONE

SMEs

The first segment of the theoretical framework explores SMEs. Definitions of SMEs vary between authors and countries. Table 1.1 summarises some key studies to explore how their SME definitions relate to this study.

Table 1.1 Key SME definitions approaches.

Approaches	Author	Relevancy to this study
Business managed by its owners or part-owners in a personalised way; small market share; independent; personal relationship between employer and employees	Bolton (1971); Hauser (2000); Recklies (2001); Megginson et al. (1997)	Qualitative ownership characteristics of SMEs
Number of employees, annual turnover, annual balance sheet and independence	OECD (2004b); OECD (2005); The National Small Business Act (1996); Stork and Esselaar (2006); IFC (2006); Tushabomwe-Kazooba (2006); Newberry (2006)	Quantitative measures where statistical figures are used to define an SME

Source: Compiled by the author.

An analysis of SME definitions in the literature and by business organisations builds into the definition applied in this study:

‘an SME is an independently owned and operated business setting that employs between 1 and 100 people’.

This definition combines qualitative and quantitative perspectives, as suggested by the studies in Table 1.1.

CSR

This section considers CSR, which is traditionally known to be heterogeneous, and explores inconsistent definitions and applications (Crane et al., 2008). For example, the conflicting purposes of businesses have been exposed by different scholars based on different schools of thought. For instance:

CHAPTER ONE

There is one and only one responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game (Friedman, 1970, p.126).

And:

The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organisations at a given point in time (Carroll, 1979, p.500).

These contradictory views of the business/society relationship present opposing demands on how businesses should operate responsibly. On one hand, there is a demand to be ethical and socially responsible (Carroll, 1979, 1999); on the other, there is pressure to engage in activities that increase profits (Friedman, 1970). Table 1.2 summarises the CSR-related theories, concepts and studies explored throughout this study.

Table 1.2 Key CSR concepts, theories and studies

Theories & Concepts	Author	Relevancy to this study
Competitive advantage	Hart (1995); Prahalad and Hammond (2003); Hart and Christensen (2002)	SMEs adopt CSR models as a strategy to fulfil theories/concepts including natural resource theory and bottom of the economic pyramid; as an instrument of marketing or to expand their market base; and for attaining competitive advantage
Cause-related marketing	Varadarajan and Menon, (1998), Murray and Montanari, (1986)	
Shareholder value	Friedman (1970); Jensen (2000) Porter and Kramer (2002); Drucker (1984)	
Corporate constitutionalism	Davis (1960, 1967)	SMEs engage in CSR activities to gain community status (social power); as a means of social contract with their community; and to make themselves 'business citizens'
SME/CSR concept	Jenkins and Hines, 2003; Jenkins, 2004, 2005; Worthington et al., 2006; 2008.	
Corporate citizenship	Davies, (1973); Wood and Logsdon, (2002); Andriof and McIntosh, (2001); Matten and Crane, (2005) Kakabadse et al, (2005)	

Source: Compiled by the author

CHAPTER ONE

The CSR segment summarised above incorporates literature on the inconsistent CSR definition (Lunheim, 2003; McWilliam et al., 2006), and the evolution and nature of CSR practices (e.g. Bowen, 1953; Wood, 1991; Moir, 2001; Lantos, 2001; Matten and Moon, 2004; Blowfield and Murray, 2008; Crane et al., 2008).

SHE

In this study, the relevance of the theoretical SME/CSR concept is the interaction segment of the SHE approach. The SHE concept arose from Freeman's (1984, p.80) argument that businesses' survival is dependent on their stakeholders: 'The more we can begin to think in terms of how to better serve stakeholders, the more likely we will be to survive and prosper over time'.

Freeman's view and other SHE-related studies are summarised in Table 1.3.

Table 1.3 Key SHE concepts and studies

Concepts	Authors	Relevancy to this study
Corporate constitutionalism	Davis (1960, 1967)	SME owner-managers show a moral responsibility of having a balance of interest between stakeholders and themselves
Integrative Social Contract Theory	Donaldson and Dunfee (1994, 1999); Freeman (1984); Carroll (1979, 1999)	
Stakeholder normative theory	Freeman (1984, 1994); Evan & Freeman (1988); Donaldson and Preston (1995), Freeman and Phillips (2002), Phillips et al. (2003); Laplume et al., (2008); Freeman and Velamuri (2008); Freeman (2010)	
Corporate citizenship	Wood and Logsdon (2002); Andriof and McIntosh (2001); Matten and Crane (2005)	

Source: Compiled by the author.

Table 1.3 includes a number of Mainstream CSR pessimists, who suggest that there will always be conflicting interests amongst stakeholders and businesses and that the concept undermines the principle objective of profit maximisation (Goodpaster, 1996; Friedman, 1996; Jensen, 2002). Despite such criticisms, this

CHAPTER ONE

study suggests that managers should consider the interests of a range of stakeholders, as opposed to just their own values. Furthermore, the recent global economic crisis calls for new thinking in terms of the ways in which businesses respond to stakeholder concerns, despite conflicting interests.

Here, SHE creates inclusive SME models that go beyond traditional philanthropy to strategic philanthropic practices which form synergies between development targets and SMEs' business functions. This results in a win-win situation for SMEs and stakeholders. On one side, the Co-produced Stakeholder Engagement Model (CPSEM) (Chapter 5) provides innovative solutions for SMEs to supply affordable products and services to meet basic needs. On the other, the model creates profit and employment opportunities for low-income communities – either directly or through SMEs' value chains as suppliers, distributors, retailers and service providers. The CPSEM creates a consensual ground between business owners and stakeholders, thus contributing to the SD concept.

SD

The literature recognises the spirit of SD as originally proposed by the World Commission on Environment and Development (WCED), wherein it is understood that economic development must meet the needs of a business and its stakeholders. The concept accepts that there is high dependence between businesses and human and natural resources, over and above physical and financial capital (WCED, 1987; Kates et al., 2005). In this research, SMEs contribute towards SD when they collaboratively engage with CSR. Therefore, SD cannot be achieved by a government or single enterprise alone, but must be based on a collective philosophy to which everyone, including businesses in the global economy, should subscribe, if today's needs are to be met without compromising the ability of future generations to meet their own (Runnalls, 2002).

CHAPTER ONE

SD is widely accepted as having three ‘pillars’: environmental protection, social wellbeing and economic development (Holme and Watts, 2000; Steurer et al., 2005). In this study, a brief summary of SD theories is provided for the purpose of introducing their focus. Chapter 3 fully explores these and related theories, and Table 1.4 exhibits concepts through which businesses’ CSR engagement can contribute towards SD.

Table 1.4 Key SD-related concepts and studies

Concepts	Author	Relevancy to this study
Universal rights	The Global Sullivan Principles (1999); UNGC (2009), ISO (2006)	SMEs engage in external CSR activities aimed at achieving human development, considering present and future generations
Sustainability	WCED (1987), Gladwin and Kenelly (1995); Loew et al. (2004); Hamann (2007)	
The common good	Kaku (1997); Alford and Naughton (2002); Mele (2002)	

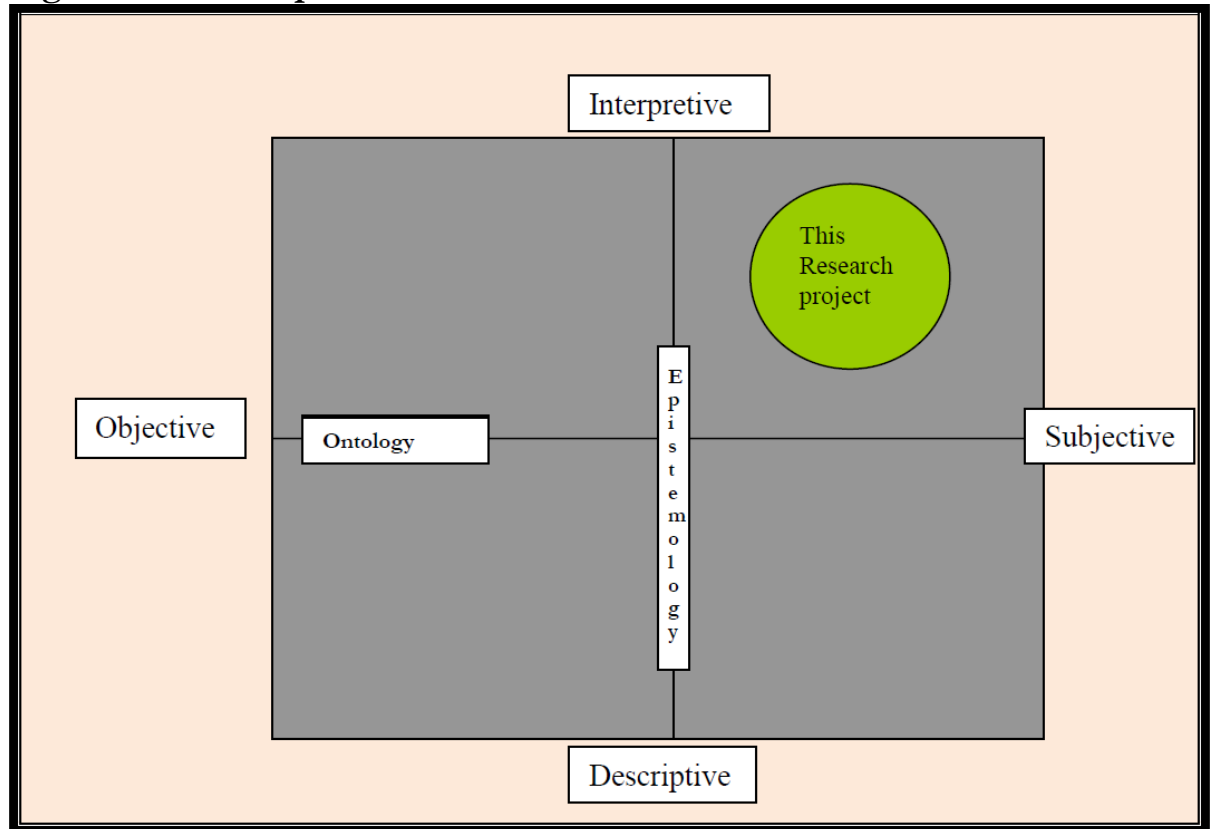
Source: Compiled by the author

1.9 Philosophical orientation and research approach

Chapter 3 details the philosophical orientation and research approach, however it is important to introduce the perceptions of knowledge and the process of knowledge creation influenced by underlying philosophical attitudes. Figure 1.3 offers a visualisation of this research’s philosophical landscape as a ‘sense-making’ device, as previously presented by Johnson and Duberly (2000).

CHAPTER ONE

Figure 3.3 Philosophical orientation



Source: Based on Johnson and Duberly (2000); reproduced by author

A qualitative approach is best suited to the needs of this research, for a number of reasons:

- ❖ At the **ontological level**, the research bends towards the subjectivist end of the philosophical spectrum, since the researcher is an active participant as opposed to an uninvolved scientist trying to measure an objective reality.
- ❖ At the **epistemological level**, an interpretive approach is suited to the nature of this research, which is more exploratory than descriptive or instrumental, and seeks to understand meanings and narratives rather than measuring opinions, behaviours or performance.
- ❖ At the **methodological level**, qualitative approaches like the life-history method, and techniques such as in-depth interviews, seemed better able to elicit the depth of personal reflection and sharing required from the owner-managers.

CHAPTER ONE

Regarding the research process, in-depth interviews with 30 BCSDU-registered SME owner-managers were conducted over three phases:

1. The **first phase** included pilot interviews, conducted with seven SME owner-managers. Such a small number was used as a testing mechanism whereby all respondents gave feedback on the questions' content, flow and clarity (Reis and Judd, 2000).
2. The **second phase** involved 30 interviews with BCSDU-registered owner-managers. The validity of this research depends not on volume (number of interviewees) to ensure representativeness, but quality, thus 30 interviewees showed considerable consensus on the issues under investigation. These included key questions on motivation and CSR practices. All participants were then given the opportunity to review transcripts of their interviews and add to, clarify or correct any of the points covered, although only nine made any changes.
3. The **third phase** was conducted with nine of the original 30 participants, despite the researcher's attempt to include all participants from phase 2. They offered feedback on the initial findings and SHE models from the second phase. This resulted in modifications to the way in which the research findings were conceptualised and presented.

1.9.1 Rigour and validity

The quality of the research methodology and findings is discussed in Chapters 3 and 5 respectively, and seeks to demonstrate that they comply with academic theory-building – in particular, that the methodology is grounded in a sound ontological and epistemological framework, and that the research adopts widely accepted qualitative research methods and techniques (i.e. the life-history method and in-depth interviews).

The validity of the findings and conclusions are tested in two ways:

1. By checking them against the literature; and

CHAPTER ONE

2. By allowing the participants to review and comment on the findings through follow-up communications and interviews. This is in line with the qualitative approach, where validity is not based on the data being representative of the research universe from which it is drawn, but rather on weaving a narrative that participants find authentic in relation to their own experiences.

1.10 Significance of the study

1.10.1 Contribution to knowledge

SD has become a salient element of business strategy, and the means through which businesses work towards achieving it is a common feature in the literature. A number of researchers (e.g. EC, 2001; 2002; Loew et al., 2004; ISO, 2004; DTI, 2004) have concluded that ‘CSR is the contribution business(es) make towards sustainable development’ (ibid). However, literature on CSR primarily focuses on large/western corporations and the issues they face in a dynamic, globalised world. Thus, this research provides empirical findings on SMEs’ contributions towards SD. More specifically, the academic importance of this research is two-fold. Firstly, it attempts to fill academic gaps by exploring the contribution that SMEs make to the overall achievement of SD from a sub-Saharan African perspective.

Existing literature from developing economies has also concentrated on what motivates businesses, rather than their owners (people), to engage in CSR and sustainability practices. SME owner-managers generally have a large influence on their business operations (Bolton, 1971; Timmons, 1978; Hofer and Bygrave, 1992; Carson, 2003). Existing studies in developing economies tend to ignore this proposition, for example UNIDO (2002) concluded that supply chain requirements are the key drivers of CSR and SD in developing economies. Therefore, this research also provides insight into owner-managers’ intrinsic motives (experiences, values, morals and beliefs), combined with their extrinsic motives (stakeholder activism), for CSR engagement – through which they

CHAPTER ONE

contribute to community development and SD from a sub-Saharan African perspective.

1.10.2 Contribution to practice

The research's contribution to practice is also two-fold. Firstly, it provides internal benefits to BCSDU and WBCSD by offering insight into SME/CSR from a transferable developing-country perspective. BCSDU and WBCSD adopt the CPSEM, SHEF and the **'SME/CSR + SHE → SD'** framework developed in this research as a benchmarking tool for accessing SME sustainability performance based on principles that are socially responsible, economically sound and environmentally healthy in other developing economies.

Furthermore, the research findings provide practical evidence to repudiate existing conservative CSR and sustainability assumptions that CSR and SD concepts were predominantly developed in and for large businesses (Thompson and Smith, 1991; Curran, 1999; Jenkins, 2004). The findings in this study evidence that SMEs in developing economies can and do practice CSR, and therefore contribute to SD.

This research is important to the externally applied management perspective. SD and CSR is a growing auditing and consultancy career field (Crook, 2005) in sub-Saharan Africa. The research findings are vital to professionals promoting CSR and assisting SMEs with sustainability policies.

1.11 Thesis structure

This research is structured in a linear manner across eight chapters, as follows.

Chapter 1 presented the research rationale and background, and the research problem, which is related to the researcher's place of work (BCSDU). It introduced the background and structure of WBCSD, who are the main funders of the research, and its regional networks such as BCSDU. The research aims and questions were then presented, followed by a summary of the key concepts

CHAPTER ONE

adopted to describe elements of the research field and research approach. The chapter presented some of the research's contributions to theory and practice, and its limitations.

Chapter 2 offers a critical analysis of academic and business literature on the four concepts (SMEs, CSR, SHE and SD) presented. A review of these concepts is conducted, with emphasis on CSR and SD and their current implementation, and any gaps in the literature.

Chapter 3 describes the methodological and philosophical choices guiding this research, with discussions on the philosophical positioning and research strategy used. It also evaluates the data collection and analysis methods adopted.

Chapter 4 presents the participants' profiles in a narrative context, where 'speech' is transcribed as data. Participants' life-history stories are outlined.

Chapter 5 presents the author's practical contribution to this study and general practice, and the SHE framework devised for BCSDU-registered SMEs.

Chapter 6 develops the complex analysis of themes introduced in Chapter 4 by relating them back to the literature (Chapter 2) in a contrast-compare approach that presents the study's findings. The findings relate to the research questions and are explained by the newly conceptualised **SME/CSR + SHE → SD** model.

Chapter 7 concludes the key findings and demonstrates the research's originality and contribution to knowledge and practice. It explains the research limitations and suggests areas for further research, as well as providing some recommendations.

CHAPTER ONE

Finally, Chapter 8 (appendix A) reflects on the author's learning needs, and development through the DBA programme. It also explores the researcher's personal reflection on the overall research process. The chapter culminates with a 'self-questioning' (McLennan, 1992) section, which focuses both on the research decisions made during this project, and the author's reflections on the DBA journey.

1.12 Summary of Chapter 1

This chapter presented an overview of the research background, rationale and problem statement from the perspective of SME owner-managers and WBCSD/BCSDU. Having introduced the key concepts and theories relating to SME, CSR, SHE and SD, the next chapter reviews the related literature.

CHAPTER TWO

CHAPTER 2: SME, CSR, SHE and SD LITERATURE REVIEW

2.1 Introduction

This chapter identifies CSR-, SHE- and SD-related literature and theories which underpin the research project. It explores sustainable ways through which businesses – particularly SMEs – are believed to contribute towards SD.

Chapter objectives

1. Review literature that defines SMEs.
2. Explore literature on the generations and types of SME/CSR activities.
3. Review literature around CSR drivers for businesses.
4. Review the literature on the business paradigms of SD.
5. Compare the evolution of CSR and SD.
6. Analyse the relationship between CSR and SD.
7. Review the different SD measurement methods in business literature.
8. Review the literature on the business case for CSR/SD in developing economies.
9. Review obstacles for businesses' contributions towards SD, especially SMEs
10. Summarise Chapter 2.

2.2 SMEs

'SMEs are the backbone of all developing economies' (Liedholm and Mead, 1999, p.67).

SMEs account for 90% of global businesses, and employ the most people in comparison to their large-business counterparts (Liedholm and Mead, 1999; UNIDO, 2006). However, little is known about SMEs' contributions to economic development, especially in developing countries.

2.2.1 Definition of an SME

Small businesses have, in the past, been differentiated from larger businesses by measures including turnover, assets, market share, number of employees and ownership (Curran and Blackburn, 2001). The criteria to define SMEs vary drastically between authors and countries, resulting in great ambiguity (Spence, 1999; Hillary, 2000). 'Small' is subjective, and therefore varies between regions,

CHAPTER TWO

as Neck (1977) identified in a study of over 50 small business definitions from 75 countries. Storey (1997) believes that this is because, for instance, a small firm in the petrochemical industry is likely to have much higher levels of capital, sales and (possibly) employees than a small firm in the automobile industry. The World Bank states that what constitutes a small, medium or large business is by no means clear or uniform, even within a country (Levitsky, 1989).

Quantitative and qualitative measurements, or a combination of these, are used to determine what is a 'small' or a 'medium' enterprise. However, these measurements may be considered inaccurate due to data quality, or lack of it. Quantitative measures are considered clear and easy to apply, while qualitative measures are more satisfactory but are difficult to use (Elleithy, 2004), although some authors still prefer them.

Qualitative definition of SMEs

The qualitative characteristics of SMEs normally reflect aspects of ownership and (inter-) dependence. The common element in most is the strong link between the enterprise and the owner. SMEs are run with limited resources, and have very high dependency on an individual or family, especially in emerging markets. The community in which a small business operates can play a significant role in its success or failure (OECD, 2004); therefore, SME owner-managers tend to be stakeholder-driven. Their characteristics and measurements vary from one community to another.

Qualitative measurements of SMEs tend to concentrate on business characteristics and how these affect the market (Labib, 1995). Qualitative measurements are common in certain small-scale industries, and their definition has a hierarchy of characteristics, as follows:

CHAPTER TWO

Table 2.1 Examples for qualitative definitions of SMEs

	Bolton Report. The SME must have the following characteristics (Bolton Report, 1971)	Hauser. The SME must have the following factors (Hauser, 2000)	(OCED). The SME should have at least two of the following features (Recklies, 2001)
Qualitative Characteristics of SMEs	<p>Enterprise is managed by its owners or part-owners in a personalised way, not by an organized managerial structure</p> <p>Business is independent, in the sense of not forming a large enterprise</p> <p>Enterprise has a relatively small market share</p>	<p>Personal responsibility for the enterprise's success or failure</p> <p>Identity of ownership and personal responsibility for the enterprise's activities.</p> <p>Identity of ownership and personal liability for the entrepreneur's and enterprise's financial situation.</p> <p>Personal relationship between employer and employees.</p>	<p>Management is independent, since the manager usually owns the enterprise.</p> <p>The area of operations, although not necessarily the market, is primarily local.</p> <p>Enterprise is small in comparison with the larger competitors in its industry.</p> <p>Capital is supplied by an individual or a few individuals hold ownership.</p>

Source: Compiled by the author

Similarly, Megginson et al. (1997, cited in Recklies, 2001) refer to a small business as being independently owned and operated, and not dominant in its field of operation (indicating that a successful large business which is non-dominant could be classified as an SME (ibid.)). SMEs have no standard qualitative definition; however, the most common qualitative characteristic in SME definitions is sole ownership by an individual, family or a small group of owner-managers. Such subjectivity in the qualitative definition of SMEs has lead authors to consider quantitative means through which to define them.

Quantitative definition of SMEs

Quantitative definitions of SMEs are the most commonly used measures of distinction between businesses; for example, ILO's (2003) survey of 77 countries showed that 74 used quantitative classification criteria, such as number of employees, capital value, investment level, turnover, and added value. There is a

CHAPTER TWO

tendency in some countries distinguish between legal and statistical definitions (OECD, 2005), for example in Chile and Malaysia the definition is based on a revenue threshold, whilst the UK uses number of employees. Sometimes a combination of number of employees and turnover is used for legal and statistical purposes (e.g. Portugal).

The distinction between the legal and statistical SME definition amongst EU member states is based on the legal definition, which takes into account the number of employees, annual turnover, annual balance sheet and independence (Figure 2.1). In some cases, such as Italy, profit thresholds have served as a basis of classification.

Figure 2.1 The EC definition of SMEs

Enterprise category	Headcount: Annual Work Unit (AWU)	Annual turnover	or	Annual balance sheet total
Medium-sized	< 250	≤ €50 million (in 1996 € 40 million)	or	≤ €43 million (in 1996 € 27 million)
Small	< 50	≤ €10 million (in 1996 € 7 million)	or	≤ €10 million (in 1996 €5 million)
Micro	< 10	≤ €2 million (previously not defined)	or	≤ €2 million (previously not defined)

Source: OECD (2004b)

Most EU countries use the legal definition; however some – e.g. the Netherlands – do not have a commonly accepted legal and administrative definition (OECD, 2005). This is also the case in New Zealand, where turnover is used by some, whilst taxes on employee salaries and wages are used by others.

In Japan and South Africa, the SME definition differs between industries (OECD, 2005). The National Small Business Act (1996) defines an SME as ‘a

CHAPTER TWO

separate and distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried out in any sector or sub-sector of the economy' (Table 2.2).

Table 2.2 SME definition criteria in South Africa

Sectors	Category	Full-time equiv. of paid employees – Less than	Annual turnover – Less than	Gross asset value – Less than
Agriculture	Medium	100	R5 m	R5 m
	Small	50	R3 m	R3 m
	Very Small	10	R0.5 m	R0.5 m
	Micro	5	R0.2 m	R0.1 m
Mining & Quarrying	Medium	200	R90 m	R23 m
	Small	50	R10 m	R6 m
	Very Small	20	R0.4 m	R2 m
	Micro	5	R0.2 m	R0.1 m
Manufacturing	Medium	200	R51m	R19 m
	Small	50	R13 m	R5 m
	Very Small	20	R5 m	R1.9 m
	Micro	5	R0.2 m	R0.1 m
Electricity, Gas & Water	Medium	200	R51m	R19 m
	Small	50	R13 m	R5 m
	Very Small	20	R5 m	R1.9 m
	Micro	5	R0.2 m	R0.1 m
Construction	Medium	200	R26 m	R5 m
	Small	50	R6 m	R1 m
	Very Small	20	R3 m	R0.5 m
	Micro	5	R0.2 m	R0.1 m
Retail & Motor Trade & Repair Services	Medium	200	R39 m	R6 m
	Small	50	R19 m	R3 m
	Very Small	20	R4 m	R0.6 m
	Micro	5	R0.2 m	R0.1 m
Wholesale Trade, Commercial Agents and Allied Services	Medium	200	R64 m	R10 m
	Small	50	R32 m	R5 m
	Very Small	20	R6 m	R0.6 m
	Micro	5	R0.2 m	R0.1 m
Catering, Accommodation and other Trade	Medium	200	R13 m	R3 m
	Small	50	R6 m	R1 m
	Very Small	20	R5.1 m	R0.9 m
	Micro	5	R0.2 m	R0.1 m
Transport, Storage & Communications	Medium	200	R20 m	R6 m
	Small	50	R10 m	R3 m
	Very Small	20	R2 m	R0.6 m
	Micro	5	R0.15 m	R0.1 m
Finance & Business Services	Medium	200	R26 m	R5 m
	Small	50	R13 m	R3 m
	Very Small	20	R3.m	R0.5 m
	Micro	5	R0.2 m	R0.1 m
Community, Social & Personal Services	Medium	200	R13 m	R6 m
	Small	50	R6 m	R3 m
	Very Small	20	R1m	R0.6 m
	Micro	5	R0.15 m	R0.1 m

Source: Amended National Small Business Act 102 (1996)

In some countries, there are different SME definitions within the countries themselves: Stork and Esselaar (2006) found that in Kenya, SMEs are farming and non-farming enterprises employing under 50 people; thus, it is evident that

CHAPTER TWO

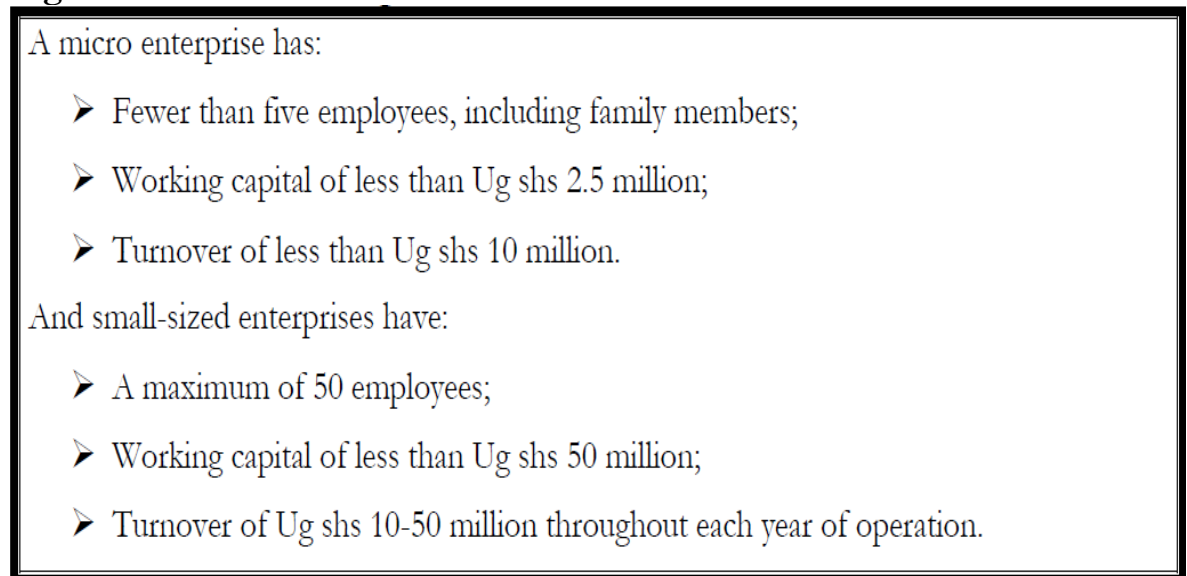
the SME definition worldwide, and even within individual countries, is inconsistent.

2.2.2 SME definition in Uganda

As in the rest of the world, there is no standard definition of SMEs in Uganda (Tushabomwe-Kazooba, 2006). According to the Small Business Act, 1953 (cited in Tushabomwe-Kazooba, 2006), a small-scale business is one which is independently owned and operated, and not dominant in its field of operation. The definition is short and irrelevant, as it would include all small, medium and large businesses that are independently owned.

As a result, the Ugandan Government created the Micro and Small-Scale Enterprise Policy Unit (MSEPU), which is responsible for SME development in Uganda and subsequently defines SMEs using the criteria in Figure 2.2 below:

Figure 2.2 MSEPU's SME definition



Source: UN (2002)

The MSEPU's definition above falls short, as it does consider medium enterprises. Thus, other institutions and practitioners have suggested other statistical SME definitions. These are generally based on the number of employees, or a combination of number employed and turnover (OECD, 2005). For example, a small business employs up to 50 people, who in most cases

CHAPTER TWO

belong to the same family, with working capital of less than \$26,882, an asset base of up to \$25,000 and revenue of \$5,376-\$26,882 throughout each year of operation (Mbaguta, 2002). On the other hand, the United States Agency for International Development (USAID), in partnership with the Danish International Development Agency (DANIDA) in Uganda, defines micro enterprises as having one-five employees, while small enterprises have 6-15 (Bagazonzya, 2003).

Newberry (2006) conveys that organisations like UNDP, SIDA, the World Bank, DANIDA, USAID and WBCSD have devoted a significant amount of attention and aid to promoting the SME sector towards economic development in Uganda. Newberry (2006, p.5) further states that the most common definition of SMEs considered by such organisations amongst emerging economies is:

‘any independently owned and operated business setting that employs between 1 and 100 people’.

This SME definition (ibid.) is considered suitable for this study for the following reasons:

- Newberry considered development a concern of every business in emerging economies, something that this research also embraces.
- He considers a business’ assets and turnover at a given time as a determinant of the number of employees. Thus, there is a direct relationship between assets and turnover (combined), and employee numbers; this overcomes the variation problem that exists in determining the cut-off value for turnover and assets.

The same definition has been adopted by the Uganda Bureau of Statistics (UBOS), and has been forwarded to international institutes such as the World Bank (Table 2.3) for international codification purposes (development and growth levels)

CHAPTER TWO

Table 2.3 World Bank's SME definition

Country name	Source of MSME Data	SME definitions (No. of employees unless otherwise)		
		Micro	Small	Medium
United Arab Emirates		High	0-9	10-49
Australia	ABS	0-4	5-19	20-199
Botswana	BCSO	0-4f	5-49	50-99
Canada	INDCA	0-4	5-99	100-499
Switzerland	EC	0-9	10-49	50-249
Chile	BCz	t < \$75,000	t = \$75,000- \$750,000	t > \$750,000
Germany	FSO	0-9	10-49	50-249
Ecuador	IADB	0-10	n/a	n/a
Egypt	UNCDF	1-4	5-14	15-49
Spain	INE	0-9	10-49	50-199
Georgia	SGE	0-19		20-99
Ghana	IDRCx	1-5	5-29	29-99
Greece	EC	0-9	10-49	50-249
Ireland	EC	0-9	10-49	50-249
Italy	EC	0-9	10-49	50-249
Japan	SBJP	1-4	5-19	20-299
Korea	SMBA	<10	10-49	50-300
Malawi	MNSO	0-4	5-20	21-50
New Zealand	NZMED	0-9	10-99	100-499
Pakistan		0-5	6-10	11-50
Sudan	SCBS	0-9	n/a	n/a
Slovenia	UNECEac	0-9	10-49	50-249
Sweden	SWSCB	0-9	10-49	50-199
Tunisiao	UNIDOx	<10	10-49	50-99
Tanzania	IFC	1-5	6-10	11-20
Uganda	UBOS	1-9	10-49	50-100
Ukraine	UKRS	0-9	10-49	50-249
Uruguay	IADB	0-4	5-19	20-99
United States	USCB	0-9	10-99	100-499
South Africa	NTSA	0-9j	10-49	50-100j

Source: IFC (2006)

Employment is a key factor in the development of an economy; thus, the employee figures for a business tend to determine its contribution towards development. These classifications can change over time once the set economic development and growth target has been achieved, as was the case in India and Egypt (IFC, 2006). A small business in a developing country can employ 1-100

CHAPTER TWO

employees, because of the squat growth level in these nations (Gray, 1996; IFC, 2006).

2.2.3 SME characteristics

SMEs are commonly influenced by entrepreneurs who manage the business's practises. Carson (2003) cites a number of studies (Bolton, 1971; Timmons, 1978; Hofer and Bygrave, 1992) in which personal influence characterises the style and nature of an SME's business operations. For example, Bolton (1971) detailed SME characteristics in relation to studies identifying personalised style of management, and lack of formal management structures with specialised staff. Burns (2001) also describes SMEs as social entities that revolve around personal and family relationships. Every SME owner-manager is responsible for decision-making duties within the business entity, including decisions on activities such as CSR practices.

SMEs are also much more involved with their local communities (Spence, 1999), since their employees usually come from neighbouring localities, and thus SMEs rely on the inhabitants' health, stability and prosperity.

Notions linked to SMEs such as 'community' and 'small business owner' (Burns, 2001) have become more complex in a dispersed supply chain (Curran et al., 2001). SMEs are the main suppliers to large businesses within the supply chain in developing economies (Luetkenhorst, 2004). Thus, personal contact between owner-managers and employees, suppliers and customers is built on trustful and open business partnerships, which is impracticable in larger, globally-based firms. Despite the personalised nature of SMEs, they play a great role in developing economies.

2.2.4 Significance of SMEs to the Ugandan economy

The significance of SMEs to the social and economic development of developing economies such as Uganda is unquestionable. In recognition of this,

CHAPTER TWO

throughout almost all sub-Saharan African countries, SME promotion comes first on the policy agenda (Albaladejo, 2002). SMEs in Uganda have a great developmental impact on the societies they operate within. Researchers, and indeed the Ugandan government, consider SMEs to be the major means of poverty alleviation, economic growth and SD (Bagazonzya, 2003; Albaladejo, 2002). African Development Bank/Group and the Organization for Economic Cooperation and Development (AFDB/OECD, 2005) further stress that SMEs are crucial for employment; Bagazonzya (2003) believes that the SME sector in Uganda employs 1.5 million people (90% of the non-farming, active population).

SMEs in developing economies are also linked to other economic factors, including the growth of a nation's GDP. Although evidence for this correlation is limited (Beck et. al., 2005), there are many other accepted roles of SMEs in Africa's developing economies (Levine, 2005). Research by UNIDO (2005) and Patricoff and Sunderland (2005) support this assertion, concluding that SMEs contribute to economic growth and development in developing countries in several ways.

SMEs are believed to be labour-intensive, providing more opportunities for low-skilled workers (Chen, 2001), and accounting for 50-60% of total employment (Lukenhorst, 2004). In Uganda, 87% of business units are SMEs, employing 90% of the population (AFDB, 2005; AFDB/OECD, 2005). Uganda's SMEs mainly operate in labour-intensive activities such as agriculture and business trading, where there is an abundance of cheap labour from the local community. Liedholm and Mead (1999) suggest that SMEs are a major source of new jobs, either through expansion of existing firms or creation of new businesses – which is very true in Uganda. SMEs are the main providers of employment opportunities for poor Ugandan citizens, thus spearheading poverty alleviation acts.

CHAPTER TWO

Additionally, SMEs contribute to a more equitable distribution of income (WBG, 2006) through the creation of income-generating opportunities to a number of poor, low-skilled citizens. SMEs in developing economies are mainly community-based (OECD, 2006), which allows their engagement with poor people. The income gap between rich and poor is therefore narrowed by opportunities created by SMEs.

Uganda is an agriculture-dependent country, in transit towards an industrial and service economy (WBG, 2006). Small businesses are vital in this transition, as they provide low-scale opportunities through value-adding activities geared towards sustainable livelihoods. UNIDO (2005) stresses SMEs' role in decreasing emigration to cities from agricultural rural areas.

UNIDO (ibid.) further considers SMEs as the foundation for entrepreneurial development, innovation and risk-taking behaviour, as well as the provision of long-term dynamics and transitions towards growth. Many SMEs provide on-the-job training and practical exposure for young entrepreneurs in Uganda (ibid.).

SMEs are essential components of the supply chain for large firms in emerging economies (Luetkenhorst, 2004). They play a part in absorbing production resources at all levels of the economy, and contribute to the creation of resilient economic systems in which small and large firms are interlinked. The SME/large-business inter-linkages attract foreign investors to Uganda. International businesses also seek dependable domestic SME suppliers for a satisfactory supply chain (ibid.). There is therefore a premium on the existence of domestic supporting industries competing for foreign investors (UNCTAD, 2001).

Finally, SMEs are tremendous sources of innovation and sustainable initiatives, because of their inherent flexibility and risk-taking nature (Raynard and

CHAPTER TWO

Forstater, 2002). SMEs in Uganda, for example, are beginning to invest in information and communication technologies, which are an important source of innovation (AFDB/OECD, 2005). Production of goods and services for niche markets in developing countries form the basis of private-sector-led growth (Hallberg and Market, 2000).

The significant values of SMEs in developing economies suggest that they may have a natural tendency to be responsible. For example, SMEs are deeply embedded in their local communities, providing job opportunities and engaging in schemes that do not just pursue profit maximisation, but also benefit the entire community. Therefore, the next section considers literature relating to businesses' acts in the community (CSR), starting with what, exactly, CSR means.

2.3 Corporate social responsibility (CSR)

2.3.1 The definition of CSR

There have been numerous attempts to identify a 'universally' accepted definition of CSR, but no clear consensus has emerged (Lunheim, 2003; McWilliam et al., 2006). Today, CSR is defined based on individual opinions regarding the broader role of businesses in communities (Deresky, 2000; Woodward et al., 2001; Maignan and Ferrell, 2003; Crane and Matten, 2004, p.439). Table 2.4 shows some examples of definitions given by organisations.

CHAPTER TWO

Table 2.4 Organisational definitions of CSR

Organisation	Type of organisation	Definition of CSR	Source
Johnson and Johnson	Corporation	'The company's responsibilities to be fair and honest, trustworthy and respectful, in dealing with all our constituents'	Johnson and Johnson, 2000
Volkswagen	Corporation	'The ability of a company to incorporate its responsibility to society to develop solutions for economic and social problems'	Volkswagen, 2000
Shell	Corporation	'We all need to assess our business' impact on society and ensure that we balance the economic, environmental and social aspects of everything we do'	Moody-Stuart, 1999
HSBC	Corporation	'managing our business responsible and sensitively for long-term success. Our goal is not, has never been, profit at any cost because we know that tomorrow's success depends on the trust we build today.'	www.hsbc.com

Source: Compiled by the author

Academic research has been relied upon to provide a clear definition of CSR (Crane et al., 2008); however, in reality, scholars seem to be widening the heterogenic gap.

Some researchers have based their CSR definition on how it is implemented within the business process. For example, Baker (2004) asserts that 'CSR is about how companies manage their business processes to produce an overall positive impact on society', whereas Brown and Dacin (1997, cited in Crane et al., 2008) define CSR as a company's 'status and activities with respect to its perceived society or, at least, stakeholders' obligation'. Matten and Moon (2004), meanwhile, denote CSR to have an 'assemblage definition [...] which overlaps with concepts such as business ethics, corporate philanthropy, corporate citizenship, sustainability, and environmental responsibility'. Thus, CSR is a dynamic and contestable concept that is embedded within each social, political, economic and institutional context.

The European Commission's (EC) (2001) original view of CSR was 'a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a

CHAPTER TWO

voluntary basis'. Similarly, the UK government delineates CSR as 'the voluntary actions that businesses can take, to exceed compliance with the minimum legal requirement, to address both its own competitive interests and the interests of the wider society' (HM Government, 2008, p. 5). Likewise, McWilliams and Siegel (2001) define CSR as 'actions that appear to further some social good, beyond the interests of the firm and that are required by law'. The business responsibility in these definitions affects employees and, more generally, all stakeholders under the corporate umbrella; thus, CSR definitions acknowledge the internal activities of business operations, by connecting them with CSR and excluding external activities such as corporate philanthropy.

Many definitions of CSR centre on voluntary activities; however, the EC (2001) stresses that 'CSR should not be seen as a substitute to regulation or legislation concerning social rights or environmental standards, including the development of new appropriate legislation'. Similarly, many companies are now considering responsibilities beyond their legal minimum requirements to comply with societal moral norms (Crane et al., 2008). Voluntary and regulatory approaches are generally assumed by CSR actors to be exclusive of one another, rather than options within a balanced approach to eliminate socially irresponsible behaviour.

Other commentators have expanded the CSR definition by entrenching the legal and regulatory responsibilities within economic, ethical and discretionary or philanthropic expectations of businesses to society. Davis, for instance, describes CSR as the 'firm's consideration of, and response to, issues beyond the narrow economic, technical and legal requirements of the firm' (Davis, 1973, cited in Carroll, 1999). Subsequently, Carroll (1979) broadened this to a more elaborate definition, which emphasises that companies have four types of responsibilities that encompass 'the economic, legal, ethical and discretionary expectations that society has of organisations at a given point in time'. Carroll's definition is generally considered to be the most widely accepted understanding of CSR (Crane and Matten, 2004; Crane et al., 2008).

CHAPTER TWO

On the other hand, anti-CSR activists such as Friedman – a defender of the neoclassical view of economics (Ebner and Baumgartner, 2006) – disagree that CSR can be a voluntary action of any business at any time. Friedman argues that:

There is one and only one social responsibility of business – to use its resources and engage in activities to increase its profits so long as it stays within the rules of operation, which is to say, engages in open and free competition, without deception or fraud (Friedman, 1962).

Despite its moral focus, this neoclassical view is still the primary paradigm of some businesses. Friedman's perspective is significant, but in today's business environment organisations have economic, environmental and social responsibilities. Wood (1991) emphasises that 'the basic idea of [CSR] is that business and society are interwoven rather than distinct entities; therefore, society has certain expectations for appropriate business behaviour and outcomes'.

In a move away from economic views, other organisations, such as WBCSD, view CSR as an engine for social development and a driver of 'good citizenship'. Businesses are thought to contribute to sustainable economic development whilst working with all stakeholders, as reflected in the World Bank's working definition of CSR:

[CSR] is the commitment of business to contribute to sustainable economic development – working with employees, their families, the local community and society at large to improve the quality of life, in ways that are both good for business and good for development (Ward, 2004, p.3).

Similarly, WBCSD's working definition of CSR is:

CHAPTER TWO

The commitment of businesses to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life (WBCSD, 2000, p.10).

Hence, the primary understanding of CSR is the company's commitment to working towards meeting wider SHNs (Clarkson, 1995; Waddock et al., 2002). Despite the definition and the organisation's failure to provide ways through which businesses work with stakeholders to improve quality of living, WBCSD emphasises: 'CSR is about capacity building for sustainable livelihoods. It respects cultural differences and finds the business opportunities in building the skills of employees, the community and the government' (Holme and Watts, 2000, p.8).

Most researchers conclude that CSR is often too laxly defined (Votaw, 1973; Preston and Post, 1975; Henderson, 2001; Marrewijk, 2003). However, practitioners agree that **CSR is the contribution that firms make towards SD** (WBCSD, 1999; DTI, 2001, 2004; EC, 2001, 2002), with a commitment to balancing and improving their environmental and social impacts without damaging economic performance. This represents a move away from the conventional view of CSR as a business-owner interface (Clarkson, 1995; Friedman, 1970) to a business-stakeholder interface, which views firms' contributions to the welfare of society and communities with new emphasis on issues like SD, global warming and environmental protection (Donaldson and Dunfee, 1999; Holme and Watts, 2002; Visser, 2011). This move is also evident with the EC's (2011) new definition of CSR: 'the responsibility of enterprises for their impacts on society'. The commission, just like WBCSD, emphasises that for enterprises to fully meet their CSR obligations, they should maximise the creation of shared value for their owners and other stakeholders, as well as identifying, preventing and mitigating possible adverse impacts.

CHAPTER TWO

Based on this wide understanding of CSR, this study further explores what it means amongst Ugandan SMEs participating in the study.

2.3.2 Evolution of CSR

Before the 1930s, the business-social relationship was not treated as a separate area of inquiry (Blowfield and Murray, 2008). Some definitions of CSR regarding the business and society debate emerged 30 years later, with corporate philanthropists and early practitioners focusing on the duties of individual business leaders. Eells and Walton (1961), for example, defined CSR as: ‘problems that arise when corporate leaders cast their shadows on the social scene and the ethical principles that should govern the relationship between the corporation and society’. Over time, the power held by business leaders brought with it certain moral obligations, something that Davis cites as the ‘iron law of responsibility’, saying that business leaders’ social responsibilities need to be proportionate with social power (Davis, 1973). In the early 1970s, focus shifted from the individual to the company (Table 2.3), with arguments that social responsibility should refer to companies as institutions. Davis further defines social responsibility as the businesses’ ‘decisions and actions taken for reasons at least partially beyond the firm’s economical and technical interests’ (Davis, 1973 cited in Crane et al., 2008, p.61).

CHAPTER TWO

Figure 2.3 Timeline of corporate responsibility

	1930	1940	1950	1960	1970	1980	1990	2000
First corporate responsibility text								
New deal and welfare states								
Nationalisation (Europe); state enterprise (former colonies, communist Bloc); post-war consensus (USA)								
Return of business and society debate								
Shift from responsibility of leaders to responsibility of businesses								
Debate about nature of responsibilities								
Introduction to stakeholder theory								
Corporate responsibility as management practice								
Environmental management								
Corporate social performance								
Stakeholder partnerships								
Business and poverty								
Sustainability								

Blowfield and Murray (2008; 57)

Blowfield and Murray (2008) conclude that through businesses' contributions to social goals including economic justice, stability, and freedom, three important questions cut across the CSR concept that have all been answered with theories:

❖ To whom is a business responsible?

✚ Who are the stakeholders in the business? (Freeman's (1984) stakeholder theory)

❖ For what is a business responsible?

✚ What are their principles and spheres of responsibility? (Carroll's (1979) CSR Pyramid, discussed in the next sub-section.)

❖ How can a business be responsible?

✚ When and how should businesses exhibit responsibilities? (Voluntary versus mandatory approaches – i.e. should CSR be limited to what companies do to generate profits, or should companies be denied moral credit for actions taken for commercial reasons?)

CHAPTER TWO

Several practitioners have defined CSR as a voluntary action (EC, 2001; McWilliams and Siegel, 2001), which makes it unclear what businesses are responsible for. However, Aupperle et al. (1985) conducted one of the first studies to use a definitional construct of CSR, and activated Carroll's (1979) four-part CSR definition.

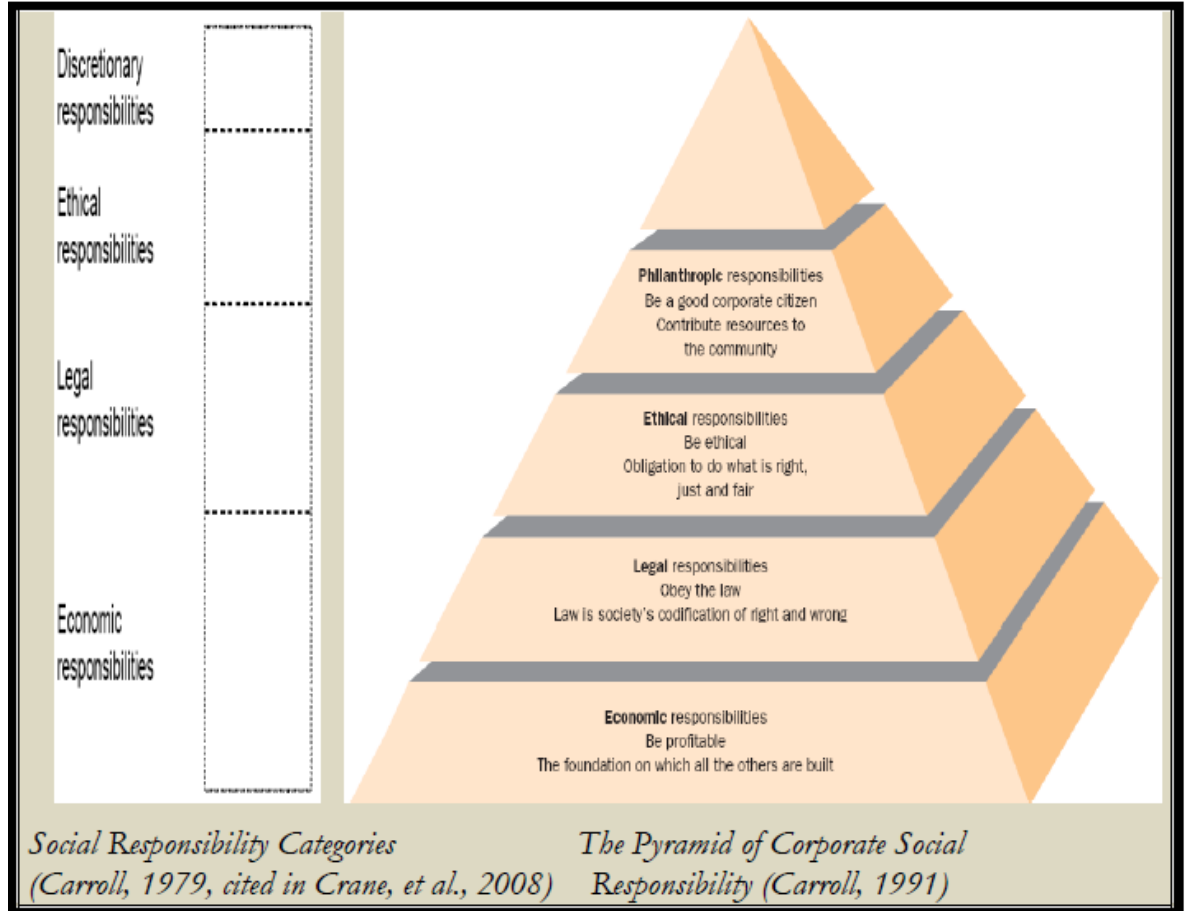
Carroll's CSR Pyramid

Carroll's (ibid.) four categories of CSR (Figure 2.4) include economic, legal, ethical and discretionary responsibilities. Many have regarded this as the foundation of CSR understanding, however it has faced criticism. Visser (2008, p.33), nevertheless, states that Carroll's four layers 'are simply to remind us that motives or actions can be categorised as primarily one or another of these four kinds'. The pyramid's order and relative weighting suggests 'what might be termed as their fundamental role in the evolution of importance whereby the history of business suggests an early emphasis on the economic and then legal aspects and a later concern for the ethical and discretionary aspects' (Carroll, 1979, p.500).

Carroll (1991) used his original (1979) explanation for the relative weighting of the CSR pyramid. The only difference in his revised (1991) work was recognition of the momentous role of philanthropic functions, and the introduction of dependence as a rationale: 'beginning with the basic building block notion that economic performance outweighs all these' (Carroll, 1991, p.42). The pyramid's different layers help managers identify different types of obligations; these may be in tension with one another, as the layers are not mutually exclusive (Carroll, 1991).

CHAPTER TWO

Figure 2.4 Carroll's CSR Pyramid



In 2004, Carroll incorporated the notion of 'stakeholders' into the pyramid; the economic and legal responsibilities contain the caution to do what is 'required' by global stakeholders, whereas the ethical and philanthropic responsibilities hold businesses to do what is, respectively, 'expected' and 'desired' by global stakeholders (Crane et al., 2008).

Carroll's pyramid is a useful model for defining CSR. However, it has been criticised for being inconsistent in explaining why and how CSR is depicted as a hierarchy, and also in attempting to combine various allied concepts like business ethics, corporate citizenship and stakeholder management, for example Crane and Matten's (2007) CSR role in Europe; Chapple and Moon's (2005) Asian inquiry and Visser's (2008) African CSR perspective.

Friedman (1970) argued that social matters are not concerns of businesspeople. However, he then contradicts himself when he argues that management 'make as

CHAPTER TWO

much money as possible while conforming to the basic rules of society, both embodied in the law and the ethical custom' (ibid, p.158). Profits, conformity to the law, and ethical custom embrace three components of the CSR pyramid (economic, legal and ethical), leaving out the philanthropic component, which can be regarded as part of the economic sphere. Crane et al. (2008) believe that it is difficult to exclude philanthropic activities from business.

2.3.3 CSR theories and related approaches.

Crane et al. (ibid.) summarise some of the most relevant CSR theories and approaches (Table 2.4), focusing on aspects of social reality: economics, politics, social integration and ethics. A number of these CSR theories and related matters try to prove that they are all focused on one of the aforementioned aspects of social responsibility. Here, the researcher concentrated only on theories that are necessary to verify the study's hypothesis. The theories are rooted in four aspects: adaptation to the environment (related to resources and economics), goal attainment (related to politics), social integration and latency (related to culture and values) (Parsons, 1961, cited in Crane et al., 2008). The theories can be classified according to the following groups:

Instrumental theories relate to the assumption that businesses are instruments for wealth creation, which is their sole social responsibility (Friedman, 1962; Windsor, 2001). This implies that businesses will engage in social activities only if they result in a profit. For example, the shareholder approach, which is regarded by Post et al. (2002, p.348) to take a classical perspective of CSR, emphasise that 'the social responsibility of business is to increase its profits' (Friedman, 1962). This assumes that businesses are concerned with CSR 'only if it contributes to the major objective of business i.e. creation of long-term value for the business owners' (Friedman, 2000).

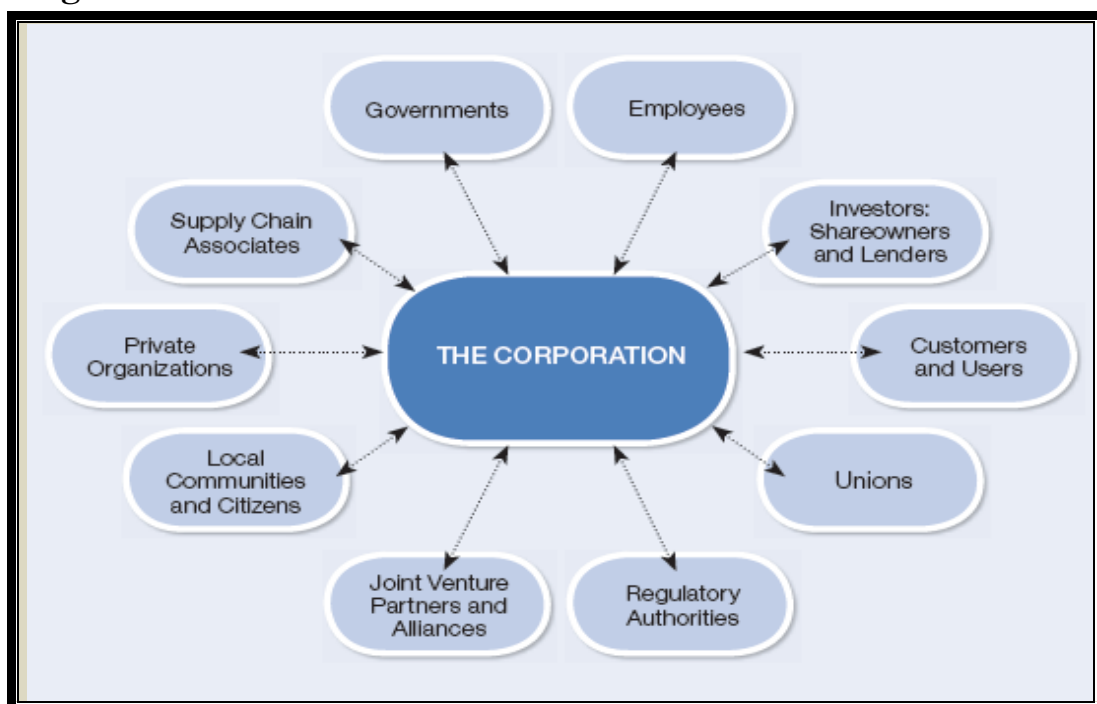
Political theories focus on the interactions between businesses and society; the power and position of businesses; and their inherent responsibility. Examples

CHAPTER TWO

include Davis' (1967) corporate constitutionalism approach to the role of power that businesses have in society and the social impacts of power. Similarly, under the societal approach (which is regarded by Donaldson and Dunfee (1999) as a broader (and not necessarily contemporary) view of CSR), businesses are responsible to society as a whole. They operate by public consent (licence to operate) in order to 'serve constructively the needs of society – to the satisfaction of society' (ibid.). This could be particularly applicable to Africa, where stakeholders have gained the power to dictate the economy.

Integrative theories argue that businesses depend on social demands for their existence, continuity and growth (Crane et al., 2008). For example, the stakeholder approach indicates that businesses are not only accountable to shareholders, but should also balance a multiplicity of stakeholders' (Figure 2.5) interests; stakeholders seem to include 'everything' around the business environment, however Freeman's widely accepted, now classic, definition which led to stakeholder theory states a stakeholder as 'any group or individual who can affect or is affected by the achievement of the organization's objectives' (Freeman, 1984, p.46).

Figure 2.5 Overview of the Freeman's stakeholder model



Source: Vos (2003, p.32)

CHAPTER TWO

Stakeholder thinking is treated as a foundation theory or framework for businesses in society (Donaldson and Preston 1995; Jones, 1995). In literature, stakeholder theory development is mainly centred on two areas: defining the concept itself and categorisation of stakeholders. For example, schemes such as Carroll's (1989) environmental sorting and Clarkson's (1995) primary and secondary classification; Freeman's (1984) internal and external change distinction; and Näsi's (1995) Scandinavian contribution, which focuses on types of transaction, all focus on the latter. Despite all this richly descriptive analysis of the study matter, just like CSR, there is no agreement what Freeman (1994) calls 'The Principle of Who or What Really Counts' when it comes to stakeholder engagement theory.

Freeman explains 'that there is no one stakeholder theory of the firm' (1995: 35). Correspondingly, Donaldson and Preston (1995) proposes four ways (See table 2.5) in which scholars have applied the stakeholder approach to business ethics. These include the normative theory, which suggests that managers ought to take into consideration the interests of all stakeholders; the descriptive theory, which limits itself to describing how managers treat stakeholders; an instrumental theory, which attempts to link corporate responsibility and financial performance of the firm (Jones 1994) and finally, as a managerial theory, that is, as a guide to managerial action. Donaldson and Preston (1995) further emphasises the managerial theory by suggesting that managers who consider SHNs will enjoy better firm performance.

CHAPTER TWO

Table 2.5 Stakeholder theory dimensions

		<i>Rationale</i>	<i>Unit of analysis</i>	<i>Level of analysis</i>	<i>Underlying theory</i>	<i>Advocates</i>
Narrative approach	Metaphorical	Stakeholder as part of a 'story' in broader narrative of corporate life	Participants of organisational processes	Macro-organisational market perspective as a system	Strategic management business policy	Mitroff 1983; Freeman 1995; Litz 1996
	Normative	Corporate social responsibility via fiduciary principle and principle of corporate legitimacy	Modern property rights	System-centred principles	<ul style="list-style-type: none"> Utilitarianism Libertarianism Social contract theory 	Donaldson and Preston 1995; Donaldson and Dunfee 1999
			Agent morality	Organisation-centred principles	Principal agency theory	Wood and Jones 1995; Yuthas and Dillard 1999
			Social contracts (welfare and justice)	System-centred principles	Social contract theory	Rawls 1971; Rousseau 1762; Child and Marcoux 1999
Analytical approach	Instrumental	Effect of stakeholder consideration on firm's bottom line	Efficient relationships/transactions/relational contracts	Competitive behaviour	<ul style="list-style-type: none"> Social network theory Positive agency theory Transaction cost theory 	Frank 1988; Preston <i>et al.</i> 1991; Hill and Jones 1992; Jones 1994, 1995
	Description	Organisational and managerial behaviour for stakeholder consideration	Extrinsic performance orientation and intrinsic justice/value orientation	Managerial behaviour	Managerial economics and organisational psychology/sociology	Clarkson 1995; Etzioni 1988; Mitchell <i>et al.</i> 1997
			Nature of stakeholders and their values and their influence on decisions and nature of the situation	Organisational behaviour	Organisation theory/decision theory	Brenner and Cochran 1991; Logsdon and Yuthas 1997; Berman <i>et al.</i> 1999

Source: Andriof and Waddock, 2002; p34

Mitchell et al. (1997) presented the normative and descriptive theory from a different perspective to include three core variables: power, legitimacy and urgency elements of stakeholder identification and salience. Power is the extent to which a stakeholder group has the ability to engage with the firm. This power could be dependent on physical resources of force, violence or restraint; utilitarian power - material or financial resources; normative power - symbolic resources such as prestige, esteem, and social status in society (ibid, p.865). Similarly legitimacy is the generalised perception that a particular claim is accepted and considered proper and appropriate by the respondents within socially constructed system of norms, values, beliefs and definitions (Suchman, 1995). Thirdly, urgency is the extent to which a stakeholder's stake calls for an action from the firm towards their needs.

CHAPTER TWO

Ambler and Wilson (1995) recommends that businesses should not simply respond to each stakeholder individually in a 'hub-and-spoke paradigm' or in such a 'one-to-one' or just 'two-way' mechanism as suggested in literature (Freeman, 1984; 2010; Donaldson and Preston 1995, Mitchell et al., 1997); but in productive ways that involve everyone solves societal needs. Thus, explanations of how firms respond to stakeholder needs require an analysis of the complex array of such interdependent or multiple relationships existing within the stakeholder environment. This gap in literature form a basis for one of this study's practical objectives - to co-producing a framework with SMEs on how they (particularly Ugandan SMEs) can respond to stakeholder needs (SHNs).

Ethical theories are based on the principle that CSR is the right thing to do or is necessary for achieving a good and fair society. For example, the SD concept developed at the macro, rather than 'corporate' level, demands that businesses contribute to environmental factors originally outlined in the Brundtland Report. Here, the social dimension is regarded as inseparable from development. Table 2.6 summaries some of the existing CSR theories that have been discussed in this chapter.

CHAPTER TWO

Table 2.6 CSR theories and related approaches: the summary

Types of theory	Approaches	Short description	Some key references
Instrumental theories (focusing on achieving economic objectives through social activities)	Maximisation of shareholder value	-Long-term value maximisation -Social investments in a competitive context	Friedman (1970); Jensen (2000) Porter and Kramer (2002)
	Strategies for competitive advantage	- Strategies based on natural resources - Strategies for the bottom of the economic pyramid	Hart (1995); Litz,(1996) Prahalad (2003); Hart and Christensen (2002)
	Cause-related marketing	Altruistic activities that are socially recognised and used as a marketing instrument	Varadarajan and Menon (1998), Murray and Montanari (1986)
Political theories (focusing on a responsible use of business power in the political arena)	Corporate constitutionalism	Business social responsibilities arise from their social power	Davis (1960, 1967)
	Integrative Social Contract Theory	Assumes that a social contract between business and society exists	Donaldson and Dunfee (1994, 1999)
	Corporate (or business) citizenship	The firm is like a citizen with certain involvement in the community	Wood and Logsdon (2002); Andriof and McIntosh (2001); Matten and Crane (2005)
Integrative theories (focusing on the integration of social demands)	Issues management	Corporate processes of response to social and political issues which may impact significantly upon the business	Sethi (1975); Vogel (1986); Wartick and Mahon (1994)
	Public responsibility	Law and the existing public policy process are taken as a reference for social performance	Preston and Post (1975, 1981)
	Stakeholder management	Balances the interests of stakeholders	Agle and Mitchell (1999); Rowley (1997)
	Corporate social performance	Searches for social legitimacy and processes to give appropriate responses to social issues	Wood (1991b) and Swanson (1995)
Ethical theories (focusing on the right thing to achieve a good society)	Stakeholder normative theory	Considers fiduciary duties towards stakeholders. Requires reference to some moral theory (Kantian, Utilitarianism, theories of justice, etc.)	Freeman (1984, 1994); Evan and Freeman (1988); Donaldson and Preston (1995), Freeman and Phillips (2002), Phillips et al. (2003)
	Universal rights	Frameworks based on human rights, labour rights and respect for the environment	The Global Sullivan Principles (1999); The UN Global Compact (1999).
	Sustainable development	Aimed at achieving human development considering present and future generations	WCED (Brundtland Report, 1987), Gladwin and Kenelly (1995)
	The common good	Oriented towards the common good of society	Kaku (1997); Alford and Naughton (2002); Mele (2002)

Source: Crane et al. (2008; p. 96)

These CSR theories are heterogeneous and do not make explicit the implications of aspects considered in other theories. However, integrating empirical and normative aspects of CSR, or economic and ethical aspects, to develop a new

CHAPTER TWO

theory is challenging (Crane, et al., 2008). Authors tend to focus on one attribute – for example, Sharma and Ruud (2003, p.205) identify several sustainability-related studies concerning SD and focusing mainly on environmental management, as well as those concerned with CSR and emphasising either social or ethical issues, such as human rights, working conditions and philanthropy. However, studies concerning the three principles of SD for businesses, or research agendas regarding environmental efforts in sub-Saharan Africa, are very limited, which makes this study highly significant.

This lack of SD literature for sub-Saharan Africa opens up opportunities for researchers from the ‘South’ to follow their ‘Northern’ counterparts in exploring the area, although very few have done so (Visser, 2008). The difference between the two main streams has always been regarded as a limitation of the current corporate sustainability research (London and Hart, 2004). However, things have changed since the World Summit on Sustainable Development in 2002 (Hamann et al., 2003), and the World Economic Forum (Nelson, 2003), as well as the adoption of poverty (London and Hart, 2004) and environmental agendas (Prahalad and Hart, 2002; Nelson and Prescott, 2003) by leading scholars.

CSR theories can be classified according to the different levels at which researchers obtain empirical findings. For example, Visser (2008) prioritised future sustainability areas into global, institutional, inter-organisational, organisational and individual. Importantly for this research, Visser (2008, p.240) concludes that: ‘the role of business managers in influencing sustainable change in businesses has been under-researched’.

CHAPTER TWO

Figure 2.6 Corporate sustainability research classifications

1. Descriptive and normative research — especially developing typologies of sustainability strategies that describe (or prescribe) the evolution of corporate sustainability practices, e.g. Green and Hunton-Clarke (2003);
2. Exploratory research — especially explaining external and internal drivers of why organisations adopt sustainability practices, e.g. Prakash (2001);
3. Instrumental research — especially examining the link between sustainability practices and profitability, e.g. SustainAbility et al. (2001; 2002).

Source (Visser, 2008b)

With reference to these classifications (Figure 2.6), this project focuses on the individual level and fits mainly into the exploratory category, although the researcher will develop a typology to explore SME owner-managers' behaviours towards CSR practices from a developing-economy perspective, focusing on the sub-Saharan African region.

2.3.4 CSR in developing economies

There is an on-going debate about the classification of countries as developed, and less developed or developing. Different scholars have disagreed on what should and should not be considered developed or less developed (Visser, 2008). However, this research is in line with UNDP's (2006) classification, in which a developing country is one that has relatively lower per capita income and is relatively less industrialised. Similarly, CSR in these regions is not a standardised notion (Moon, 2002).

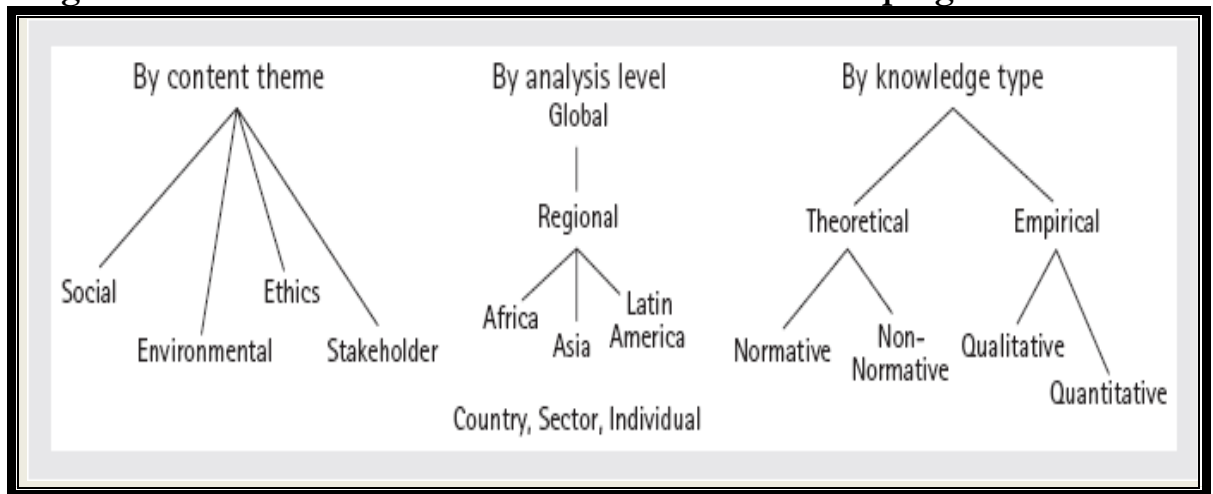
Despite the different labels for CSR and the fact that many associate it with the West, it is not an entirely new concept in many developing countries (Blowfield and Frynas, 2005), especially in MNCs from the North (Fox, 2004). As a result, local businesses follow a diffusion process of policy instruments from North to South, thus 'improving' on already existing CSR practices. Visser (2008, p.474) suggests a distinct rationale for focusing on CSR in developing countries, emphasising that: 'developing countries present a distinctive set of CSR agenda

CHAPTER TWO

challenges which are collectively quite different to those faced in the developed world’.

As a means of establishing these different sets of CSR challenges, Visser (2008) further identifies various ways through which CSR literature in developing countries can be classified in terms of: content (thematic coverage), type (epistemological approach), and level (focus of analysis) (Figure 2.7).

Figure 2.7 Classification of literature on CSR in developing countries



Visser (2008, p. 475)

Following a similar classification, Lockett et al. (2006) conclude that CSR articles use the content theme of classification, focusing on ethical and environmental topics, whereas CSR scholars in developing countries focus on the social theme. Regarding knowledge type, 89% of theoretical CSR papers on developing countries are non-normative (ibid.). Since this research follows a regional or case study basis, the analysis theme seems to be the most adequate way of acquiring regional literature about the concept.

Most studies on CSR in developing countries have a national (rather than regional) focus (Frynas, 2006). Surprisingly, only about a fifth of all developing countries have had any CSR journal articles published on them (Visser, 2006). Globally, there is an even greater imbalance. For example, Baskin's (2006) research considered the CSR behaviour of 127 leading companies from 21

CHAPTER TWO

developing countries (of which only 2 of the 53 countries in Africa were included), compared to over 1,700 leading companies in developed countries.

Visser (2008), however, suggests that Baskin's study provides regional insight into CSR activity in developing countries, and quotes Baskin's (2006, p.447) conclusion that:

There is not a vast difference in the approach to reported corporate responsibility between leading companies in developed countries and their developing countries' peers. Nonetheless corporate responsibility in developing countries, while more extensive than commonly believed, is less embedded in corporate strategies, less pervasive and less politically rooted than in most high-income developed countries.

CSR literature in Africa

There is little published research on CSR in Africa. Papers mainly focus on business ethics (Visser, 2008), and most work has concentrated on the Western world (Visser et al., 2005, p.19; Frynas, 2006).

Most CSR publications on the sub-Saharan region focus on South Africa (Skinner and Mersham, 2008), while a few focus on other countries such as Kenya (Dolan and Opondo, 2005), Tanzania (Egels, 2005), Zambia (Hamann et al., 2005) and recently Uganda (Nkiko and Katamba, 2010). Despite a dominant focus on large businesses, Visser (2008) locates some literature from African countries in sectors such as agriculture (Blowfield, 2003), mining (Kapelus, 2002), and petrochemicals (Acutt et al., 2004). The picture for SMEs is slightly different. There has been very little research relating to CSR in SMEs (Thompson and Smith, 1991), and studies on internal activities (especially employee welfare), external (stakeholder benefits) and environmental activities are even less common, making this study an important contribution to African CSR literature.

CHAPTER TWO

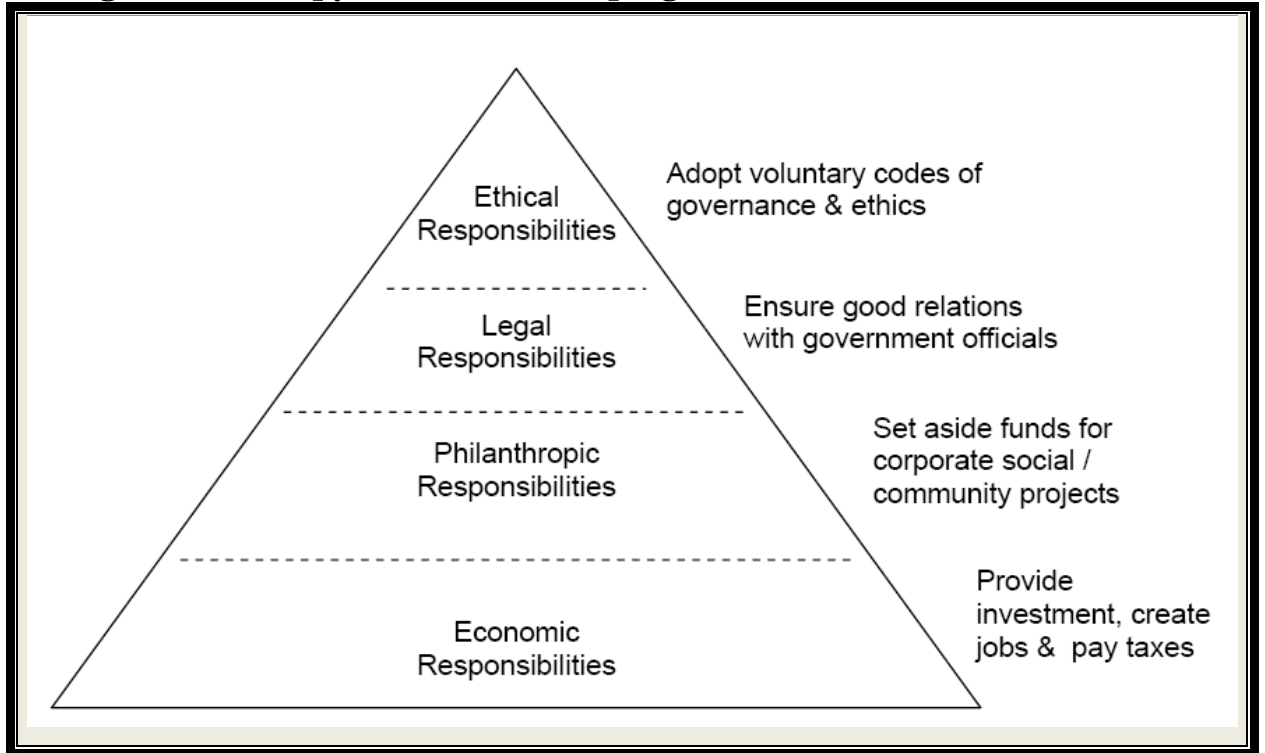
Corporate citizenship in Africa is critically important to most states (Visser, 2006); however, the continent exemplifies a number of dilemmas that companies face in their effort to be responsible, ethical and sustainable. Africa shares the on-going debate on what CSR is, even though the social responsibility concept has been in existence for decades (McIntosh, 2003). Surprisingly, Western ideas of ethics are enforced on African societies that already have their own, often very different, sets of values and cultures (ibid.).

Culture has a great influence on the CSR practices and priorities in a region (Burton et al., 2000). Crane and Matten (2007, p.51) discussed CSR in a European context using Carroll's CSR pyramid (1991), and concluded that 'all levels of CSR play a role in Europe, but they have different significance, and furthermore are interlinked in a somewhat different manner'. These research findings are equally applicable to Africa, and are important in the quest for a CSR reference that is applicable to the region.

Visser (2008) argues that the relative priorities of CSR in Africa differ from the ordering suggested in Carroll's (1991) pyramid, wherein economic, legal, ethical and philanthropic responsibilities are assigned decreasing importance, respectively. Visser recommends that in order to accept Carroll's CSR pyramid in Africa, economic responsibilities need to be given the most emphasis, followed by philanthropy, legal and ethical responsibilities (Figure 2.8).

CHAPTER TWO

Figure 2.8 CSR pyramid for developing countries



Source: Visser (2008, p.489)

A number of authors (e.g. Ahmad, 2006; Weyzig, 2006; Fig, 2005; Amaeshi et al., 2006) concur with Visser that in most developing economies philanthropic responsibilities as a manifestation of CSR are generally given higher priority. Visser (2008, p.492) justified this as follows:

- The socio-economic needs of the developing countries are so great that philanthropy is an expected norm in that businesses consider it the right thing to do.
- Businesses realise that they cannot succeed in societies that fail, and philanthropy is seen as the most direct way to improve the prospects of their communities.
- Most developing countries have relied on foreign aid or donor assistance for over 50 years; hence, philanthropy has become a culture.

However, Visser (ibid.) strongly suggests that Carroll's CSR model does not describe the complexities of CSR in Africa, especially when it comes to businesses that are new to CSR, such as SMEs in Uganda's case. In spite of

CHAPTER TWO

Carroll's contribution to the CSR agenda, prioritising CSR in Africa based on the pyramid is confusing to some. For example, De Jongh and Prinsloo (2005) suggest that CSR responsibilities in Africa would be 'messy' if they were to relate to Carroll's pyramid. Therefore, it seems prudent for every region/country to have an alternative to Carroll's pyramid if it is not applicable to their region. Other theories relating to CSR in Africa have emerged, for example complexity theory (Hamann et al. 2005); holism theory (Visser and Sunter, 2002); chaos theory (De Jongh and Prinsloo, 2005) and spiral dynamics (Van-Marrewijk and Were, 2002) – which all add to the confusion on what African CSR is.

The literature thus far indicates that businesses across the globe are increasingly taking into account their social, environmental and ethical impacts. Therefore, it is important to trace literature on SME/CSR. Although many policy-makers, academics, media, and wider civil society have overlooked SMEs' flourishing engagement towards CSR, some authors have considered it. Thus, the next section considers the existing literature on the SME/CSR interface.

2.3.5 The SME/CSR interface

Businesses generally have a number of objectives; for example, profit maximisation (Kallerberg and Leicht, 1991), turnover maximisation (Drucker, 1995), improvement of wealth (Chaston and Mangles, 1997), and recently sustainability (Runnalls, 2002). In fact, Fombrun and Shanley (1990) single out sustainability as one of the major objectives SMEs have adopted to maintain continuous good relationships with their communities.

CSR has predominantly been allied with corporate or large business; nevertheless, SMEs have recently gained recognition amongst practitioners and scholars (Jamali et al., 2009, Murillo and Lozano, 2006; Vives 2006; Fuller, 2003, UNIDO, 2002; MORI, 2000; DTI, 2001, 2002; EC, 2002; Thornton, 2002). Significant SME/CSR research has been carried out in the West (Table 2.7). In contrast, very few studies have been conducted in the developing world, though

CHAPTER TWO

it is believed that SMEs account for almost 90% of all businesses (Lukenhorst, 2004).

Table 2.7 SME/CSR studies in the western world

Research Focus	Authors
Assessing small business attitudes towards social responsibility and to whom in society they feel responsible	EC, 2011; Jenkins, 2005; Khan & Lund-Thomsen, 2011; Jamali et al., 2009); Prieto-Carron et al., 2006; Joseph, 2000; MORI, 2000; DTI, 2001; European Commission & Observatory of European SMEs, 2002; Irwin, 2002; Joyner et al., 2002, Spence & Schmidpeter, 2003
The relationship between small businesses social responsibility and the community in which they are situated	Jamali, 2010; Jamali & Neville, 2011; Cornwall, 1998; Besser, 1999; Besser & Miller, 2001
Attempts to conceptualise the attitudes of small business owner-managers within frameworks of social and ethical responsibility from traditional profit maximisation to enlightened self-interest and beyond.	Murillo & Lozano, 2006; Vives 2006; Spence & Rutherford, 2001.
CSR strategies in SMEs	Campbell, 2007; Blackman, 2006; Spence et al., 2001; Graafland et al., 2003; Sarbutts, 2003

Source: compiled by the researcher

Jenkins (2004) and more recently Campbell, (2007) concludes that most studies suggest SMEs feel responsible to society in terms of, for example, ensuring employee satisfaction and protecting the environment. However, owner-managers consider these CSR activities as ‘add-ons’, rather than an integral part of their business.

Despite these findings, some SMEs hold the conservative assumption that CSR was predominantly developed in and for large businesses (Thompson and Smith, 1991; Curran, 1999). However, this supposition is unrealistic, and recent appreciation has been paid towards the growing significance of SME/CSR activism (Fuller, 2003; UNIDO, 2002). Other assumptions are that SMEs are too small to engage in CSR (Tilley, 2000; Cronje et al., 2001), which has to be scaled down to ‘fit’ them. Such conjectures seem naive, considering that small

CHAPTER TWO

businesses are flexible and adaptable (Dandridge, 1979; Welsh and White, 1981; Goffee and Scase, 1995), which allows them take advantage of niche markets while enjoying social and environmental benefits (Jenkins, 2004).

Other Mainstream CSR pessimists, like Burns (2001), describe SMEs as social entities that operate around personal relationships, often with very little cash and a vulnerability to going out of business due to their inability to diversify business risk, and that therefore CSR is not ideal for them as it is a long-term venture. Spence (1999) also insists that SME managers are responsible for several business tasks at once, and thus are reluctant to adopt voluntary CSR regulations or, as Tilley (2000) suggests, do not have time to engage with the wider community. Similarly, EO-SMEs (2002) believes that CSR is a large-enterprise initiative, and that SMEs' 'size' affects the content, nature and extent of their social responsibility activities. Based on these assumptions, SMEs are perceived to be homogeneous in terms of size and owner-manager behaviour.

Despite these negative commentaries, some argue that CSR is valid for small enterprises. For example, Wilkinson (1999) and Besser and Miller (2001) suggest that Mainstream CSR pessimists tend to ignore factors such as SMEs' geographic location, objectives and sources of funding. In Africa, for example, SME/CSR characteristics vary widely depending on the ownership structures and business objectives. Despite the limited SME/CSR research, the most common form of SME in Africa is the owner-managed firm.

Visser (2006) found that only 51 studies were carried out in Africa in the corporate citizenship academic field between 1995 and 2005. Most of this research focused on business ethics and, almost exclusively, South Africa (Table 2.8), and none explores an SME/CSR interface or the Ugandan context.

CHAPTER TWO

Table 2.8 Geographical focus of researches on corporate citizenship in Africa (1995-2005)

Country	Number of studies	% of studies
South Africa	28	57
Nigeria	8	16
Africa (General)	6	12
Cameroon	1	2
Cote d'Ivoire	1	2
Egypt	1	2
Kenya	1	2
Mali, South Africa and Zambia	1	2
Mauritius	1	2
Sudan	1	2
Tanzania	1	2
Zimbabwe	1	2

Source: Visser (2006, p.22)

2.3.6 Types of SME/CSR activities

Zadek et al. (1997) state that the development of SME/CSR activities in developing economies requires one or all of three generations in order to have an impact on society:

- Values (shift from wealth responsibility to social and environmental goods, where SMEs can be responsible in ways that do not detract from, and may contribute to, commercial success).
- Strategy (CSR as a strategic development of SMEs, where CSR is seen as an integral part of long-term business strategy).
- Public pressure (stakeholder activism).

Thus, CSR contains two dimensions: voluntary and strategic action. Businesses follow either dimension to fulfil their obligation to engage with communities, and use a number of activities to do this, which in turn proves that there are numerous SME/CSR approaches, and thus these activities cannot be homogenous (Kramer et al., 2005).

CHAPTER TWO

Nevertheless, to make the SME/CSR concept more tangible, it is helpful to describe the conceivable CSR activities in more detail by classifying them into different categories. The EC (2003), in its green paper, categorises SME/CSR activities into two dimensions:

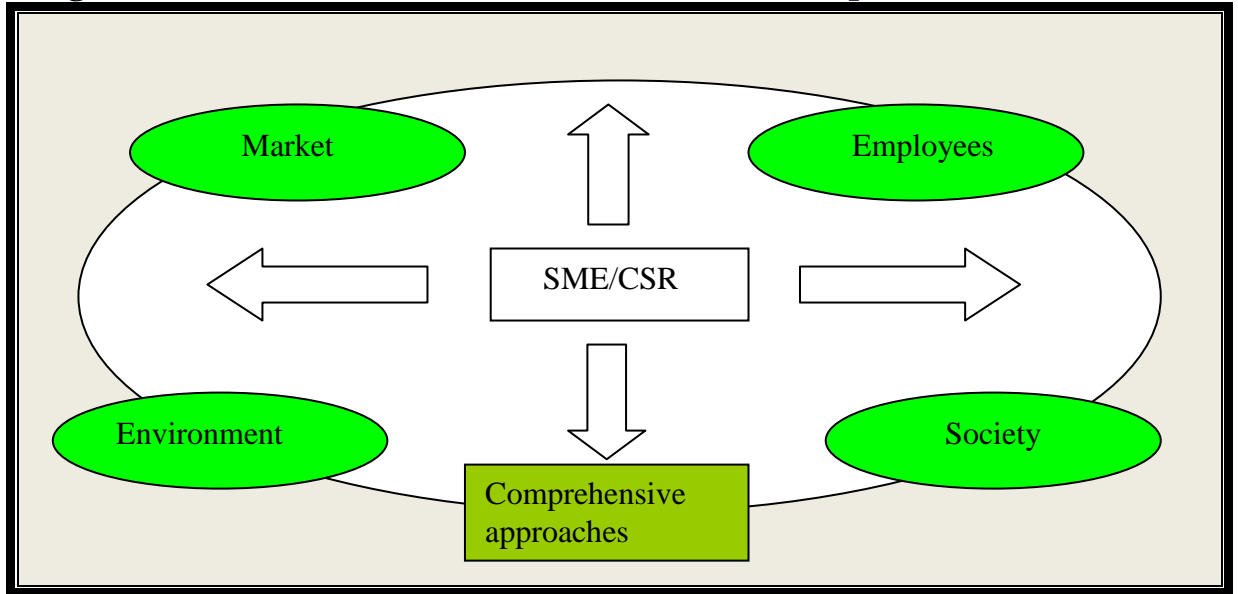
- Internal: socially responsible practices primarily involve employees and relate to issues such as investing in human capital, health and safety, and managing change.
- External: CSR extends into the local community, and involves a wide range of stakeholders – such as business partners and suppliers, customers, public authorities and NGOs, as well as the environment – in addition to employees and shareholders.

As explained in Chapter 1, this study focuses on the external dimension because it is central to SMEs' fight against developmental challenges, and thus relates to SD (Curran et al., 2000).

The EC (2003), and more recently Mandl and Dorr (2007), use what they call the comprehensive approach to distinguish activities happening between internal stakeholders (e.g. employees, shareholders and owners) and external stakeholders (e.g. business partners and suppliers, customers, local communities and the natural environment). More detailed differentiations are illustrated in Figure 2.9.

CHAPTER TWO

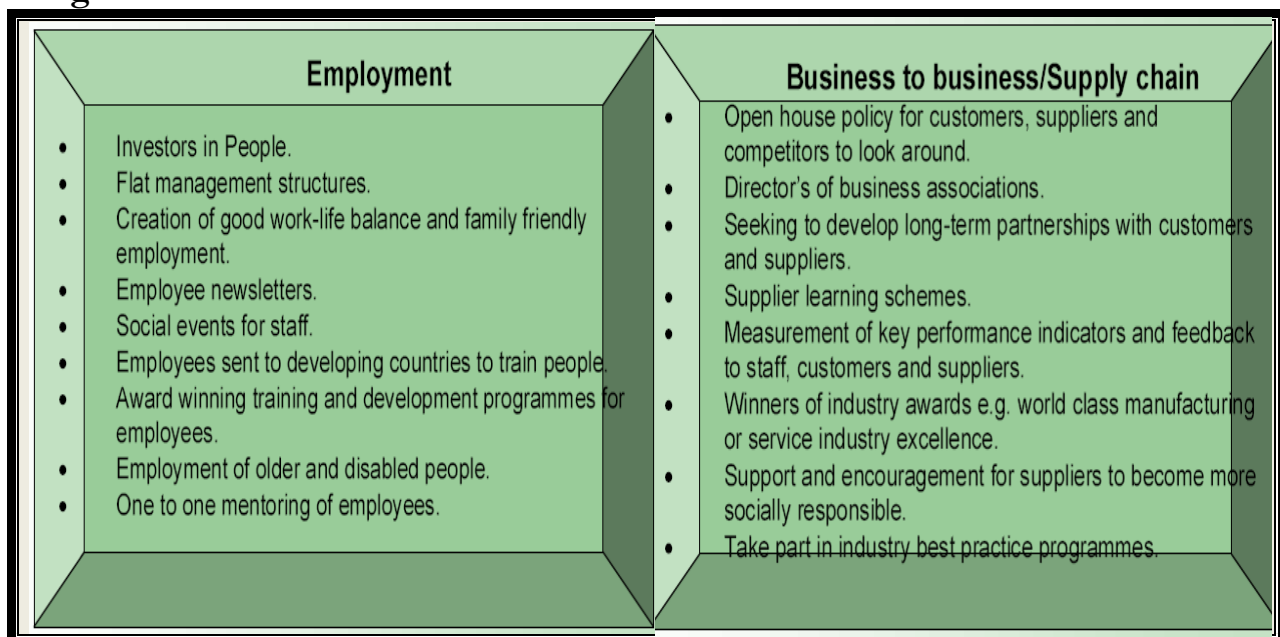
Figure 2.9 Overview of SME/CSR activities in Europe



Source: Mandl and Dorr (2007)

Previously, Jenkins (2004) used a similar pattern to classify SME/CSR activities based on the internal and external dimensions, thereby suggesting two categories: the business case and voluntary actions. The business case (internal dimension) stresses the benefits to internal stakeholders' behaviour when firms become more appealing to employees, customers and suppliers (Cowe, 2003). Figure 2.10 lists some CSR activities that businesses practice under the categories of employment and business-to-business/supply chain.

Figure 2.10 internal activities

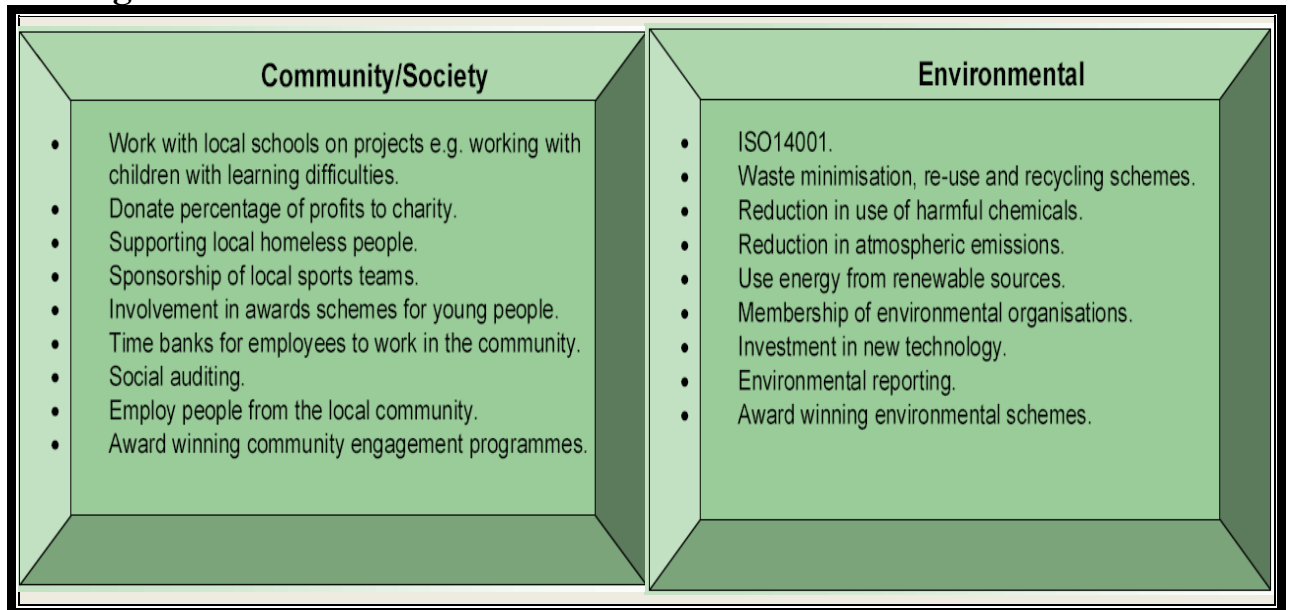


Source: Jenkins (2004)

CHAPTER TWO

On the contrary, the emphasis on voluntary activities towards external stakeholders is linked to the regulatory fulfilment of SD (De Bruijn and Tukker, 2002). Such activities are categorised by Jenkins (2004) as either environmental or community/social (Figure 2.11). This research focuses on the community/social aspect from the sub-Saharan African SME perspective. It is through external SMEs that stakeholders in developing economies are thought to contribute to SD.

Figure 2.11 External activities



Source: Jenkins (2004)

SME/CSR activities are often stretched to include environmental practices (Fox, 2004), as per WBCSD's (2000) CSR definition. SME/CSR activities can be local in scope, occasional in nature, and unrelated to business strategy, as well as subject to the owner-managers' personality (EO-SMEs, 2002). SMEs often manage their societal impact in a more spontaneous way than their large-business counterparts, because of their relative simplicity and versatility.

Many SMEs are engaged in some kind of CSR practices without recognising them as such (Fox, 2004), or being familiar with the CSR concept (EO-SMEs, 2002). Castka et al. (2004) conclude that SMEs tend to focus more on the internal CSR dimension; hence, much of the external dimension is driven by the impact of employees and the owner-manager's idealistic approach (ibid.). This

CHAPTER TWO

implies that SME owner-managers' ethical behaviours and values can influence their social responsibility engagement.

2.3.7 Business motives for adopting CSR

Personal interests and values as CSR motivations

Ethical decision-making in businesses is moderated by managers' ethical ideology (Ferrell and Gresham, 1985; Hunt and Vitell, 1986; Stead et al., 1990; Forsyth, 1990; Hemingway, 2005). SMEs are no different in that, usually, they are solely owned and managed by an individual (owner-manager) whose ethics, morals, beliefs and values have an influence on the decisions made on the business' social responsibility practices.

Hunt and Vitell (1986) reduced ethical ideologies into three dimensions – teleology, deontology and virtue. They relate teleology to a focus on the consequences and implementations of an action involving ethical judgement by the individual (owner-manager in this case). Teleology can have different variations; for instance, egoists believe that decisions must have individual long-term ethical returns (Rand, 1961, 1964; Tsalikis and Fritzche, 1989). The alternative is utilitarianism, wherein managers' morals may be based on the consequences of their actions and evaluations of the whole society (Shultz and Brender-Ilan, 2004). For example most SMEs in Africa fight for survival in their first year of operation (Tushabomwe-Kazooba, 2006), and therefore owner-managers in the region are not egoists; however, the utilitarianism philosophy could lead them to ethical engagement.

The second dimension, deontology, deals with the process of taking a particular ethical decision by applying a set of norms to available alternatives (Hunt and Vitell, 1986).

Virtue ethics are applicable to managers who follow the rules while simultaneously attaining a greater good, and thus are located between

CHAPTER TWO

deontological and teleological approaches. The literature shows that a managers' cognitive moral development has an influence on how they respond to ethical dilemmas (Kohlberg, 1981). Thus, SME owner-managers' CSR policy decision-making could be a result of their virtue influence.

Schlenjer and Forsyth (1977) suggest two other theoretical concepts, idealism and relativism, that might explain business managers' ethical decision-making and engagement. Idealism is entrenched in the belief that what is morally right leads to desirable returns, reflecting concerns for other people's welfare and avoidance of negative consequences (Forsyth, 1992). Such a belief creates the feeling that there is an SME case for socially responsible engagement. Relativism, however, suggests that managers have no universal moral standard, but base their ethical decision-making on situational analysis. In other words, what is wrong or right, good or bad within and around businesses depends on the owners' individual attitudes, role, culture and values (Hopkins, 1997).

The role of individual attitudes, cultures and values is considered important in determining the existence of corporate social entrepreneurship in research (Hemingway, 2005). MacLagan (1998, p.147) earlier considered CSR to be a process in which managers take responsibility for identifying and accommodating their own and stakeholders' interests. Thus, 'the championing of CSR depends upon a salient sense of personal responsibility or collectivistic sense of duty to society that is valued by the individual' (Hemingway 2005, p.233). Therefore, it is fair to say that there is always some kind of self-interest for business owner to engage in socially responsible practices (Moon, 2001).

Similarly, authors such as Adler (1999) suggest that individual behaviour can be influenced by values, attitudes desires and beliefs. For example, Ferrell and Gresham's (1985) and Fritzsche's (2004) contingency models of ethical decision-making integrated values and attitudes as having an influence on the individual ethical dimension. Furthermore, psychologists such as Smith (1994) argue that

CHAPTER TWO

motivation essentially requires some desire and belief on the part of the agent. This is the basis of Smith's humane theory of motivation, which anti-humane theorists such as Nagel (1970) and McDowell (1979, 1981) have found idealistic. Smith (1994) argues that in order for desire and belief to constitute a motivating reason, they must be present together. He uses the analogy that: 'you can believe the building is on fire but you won't run away unless you have a desire not to be burnt' (Smith, 1994; 245). It will be interesting to identify which values and attitudes (if any) influence SME owner-managers in this study (Chapter 4).

Similarly, human desires have been associated with a natural longing created by individual values and interests, which arise as a result of the fundamental psychological desires responsible for defining individual personalities. Reiss (2002) notes that motivation theories like Maslow's do not adequately explain people's behaviour, and suggests a theory of 16 basic desires, where individual actions define peoples' personalities and 'desires drive our everyday actions' (ibid.). Similarly, this study explores how SME owners-managers' desires (if any) are linked to their CSR engagement (Chapter 6).

Generally managers' ethical values and morals are considered profound CSR drivers (Hemingway and MacLagan, 2004; Frederick, 2006; Hond et al., 2007; Swanson, 2008). This is a very important ideology for this research; however, ethical values and morals are not the sole drivers of CSR. In fact, mainstream research (Friedman, 1970; Waddock and Graves, 1997; Bowie, 1991; Visser, 2008) has focused more on economic CSR drivers (commercial imperatives).

Internal and external CSR drivers in developing economies

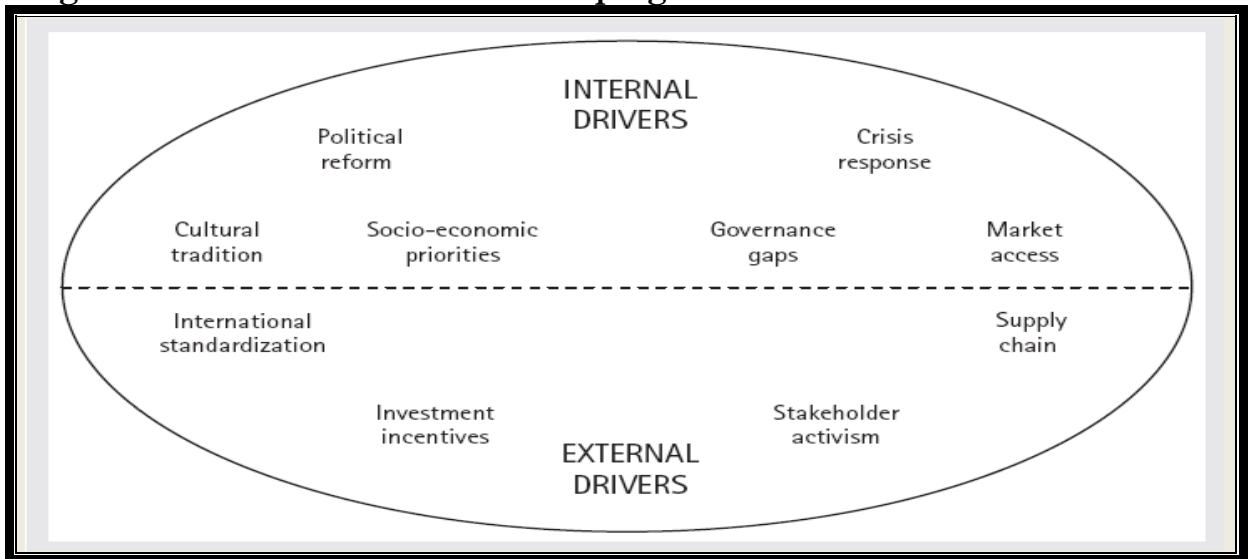
SMEs are now adopting CSR practices that have been successful in large business, and often driven by the same motives (Jenkins, 2004). The motivating factors for businesses to engage in CSR activities are numerous and have been classified as internal and external (Visser, 2008; EC, 2001; Cote et al., 2005). This

CHAPTER TWO

classification is consequential to the central question of why CSR in developing countries differs from that in the developed world (Visser, 2008).

Davis (1973) first identified reasons for adopting CSR activities in daily business operations. These include enlightened self-interest motives and the business' role in society. Garriga and Melé (2004) then identified CSR drivers using theoretical approaches to CSR including instrumental, political, integrative and ethical motives. Recently, Visser (2008) identified ten major CSR drivers for businesses in developing countries (Figure 2.12). These relate to internal drivers (pressures from within the country) and external drivers (those with a global origin).

Figure 2.12 Drivers of CSR in developing countries



Source: Visser (2008, p.481)

Although the drivers may not all be unique to developing countries, when integrated they do give a distinctive picture of how CSR is conceived and practiced in emerging economies. Again, Visser (ibid.), like many other authors, looked at internal and external factors of businesses, and not the individuals making the decisions. This study contributes to covering this gap.

CHAPTER TWO

2.3.8 The business case for CSR in developing economies

CSR in developing economies follows the ‘doing well by doing good’ policy advocated from North to South, and most recently from TNCs to SMEs (WBCSD, 2004). However, the vital question is whether these new CSR initiatives effectively produce viable outcomes for businesses, especially SMEs, so as to create the ‘SME case for CSR’. SustainAbility (2003, p.65) suggests that SMEs engage in CSR practices because ‘it is the right thing to do’. Thus, small businesses are just discovering the business rewards for their CSR engagement (ibid.).

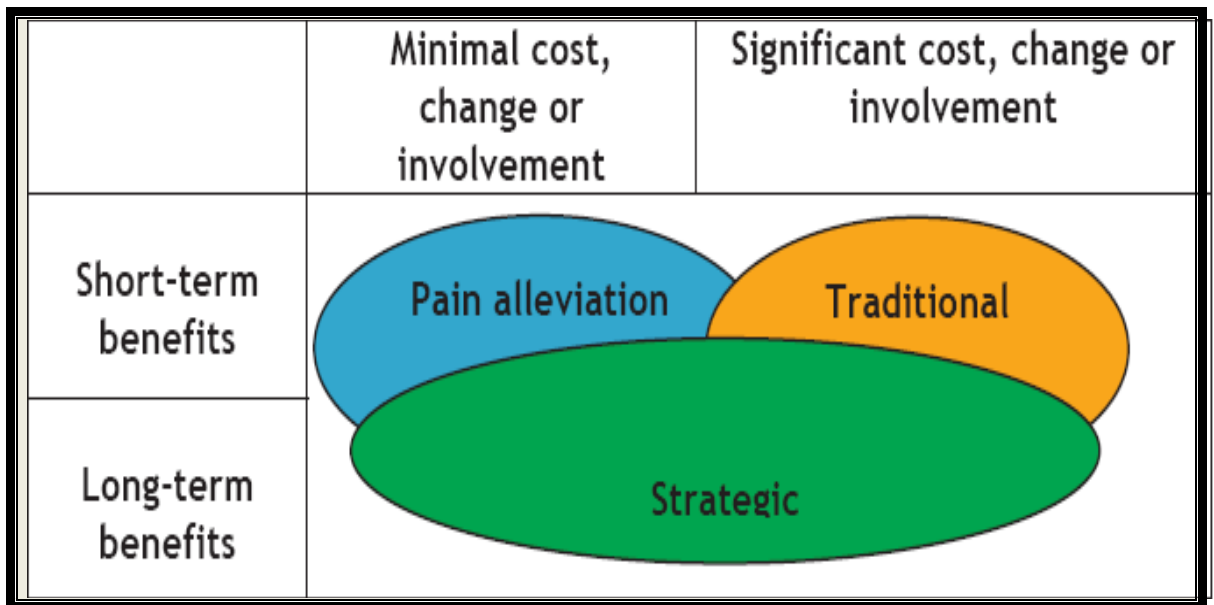
Research suggests that businesses have and will persist in having a ‘case for sustainability’, or be socially and environmentally responsible to societies of developing economies (SustainAbility, 2003). WBCSD gives further evidence of the growing acceptance that profits and broader values and principles can be responsive to each other:

A coherent corporate social responsibility strategy based on integrity, sound values and a long-term approach, offers clear business benefits to companies and a positive contribution to the well-being of society (WBCSD, 2001).

In most SMEs, culture and owner-managers’ leadership have been the driving force behind the SME case, which acknowledges good business performance. UNIDO (2002) asserts that the business case operates on three key levels: pain alleviation/reputation protection, cost benefits and strategic levels (Figure 2.13), and that as businesses move through these stages, the potential benefits of CSR increase.

CHAPTER TWO

Figure 2.13 Balancing short-term with long-term business benefits



Source: UNIDO (2002, p.8)

Businesses may be inclined towards short-term benefits by adopting the pain alleviation level due to pressure from CSR activists such as NGOs, consumers, media, and states. They may then move on to the traditional level as they stabilise (in terms of cost, change or involvement). Empirical evidence supporting the business case is growing, with both short- and long-term benefits for business engagement suggested (UNIDO, 2002; EC, 2001; IISD, 2002). It is argued that by adopting CSR approaches, a business can add shareholder value whilst creating benefits to other stakeholders (Holliday et al., 2002).

Some studies (Keeble and Turner, 2003; Raynard and Forstater, 2001) have concluded that business benefits go beyond the long-term intangible measures of success to include direct financial measures. Preston and O'Bannon (1997) divide these benefits into three types of relationship, wherein:

- Corporate responsibility relates to financial performance;
- Financial performance relates to corporate responsibility;
- Corporate responsibility and financial performance are synergistic.

CHAPTER TWO

Within all three, the relationship can be positive, neutral, or negative. For example, Friedman (1962) concluded that there is no relationship between corporate responsibility and financial performance.

CSR advocates suggest that there are positive outcomes for businesses that engage with CSR, including:

- **Operational cost savings** firms can benefit from operational savings (reducing waste, using resources more efficiently, etc.) resulting from investment in environmental conservation. UNIDO (2002) uses Xerox Corporation's Remanufacturing and Recycling and 3M's Pollution Prevention Pays programmes as examples that developing-economy businesses can imitate.
- **Enhanced reputation** can be built by good company performance in relation to sustainability issues, whereas poor performance, when exposed, can damage brand value (UNIDO, 2002). Increasingly, firms are trading not on products or services but on their reputations, brand value, goodwill and 'intellectual capital' (ibid.).
- **Attraction and retention of the workforce.** Businesses with advanced human resource development programmes and community-based schemes enjoy higher levels of loyalty and find it easier to recruit, develop and retain staff (Fox and Prescott, 2004; Walker Information, 1999).
- **Maintaining the license to operate** is a key issue for many companies looking to extend their business or operating in politically unstable conditions (UNIDO, 2002). SustainAbility (2003) further accentuates that CSR presents the means to manage and influence stakeholders' attitudes and perceptions. This, in turn, builds customer trust and a positive relationship that delivers the overall business case for CSR.
- **Management of risk.** Investors view businesses' CSR practices as a means of protection against issues which might cause them to be targeted by campaigners. Litvin (2003, p.17) advises businesses to 'develop at an early stage intellectual leadership in public on issues that in the future may

CHAPTER TWO

present NGOs with opportunities for critical campaigns'. This may be why SME owner-managers in Africa are becoming more responsive towards risk management (Utting, 2002). In developing economies, managing risk is an increasingly complex task, with greater stakeholder scrutiny of corporate activities, which makes it key to firms' success (UNIDO, 2002).

- **Investor relations and access to capital.** Business investors tend to go for 'socially responsible' businesses (Keeble and Turner, 2003). Today, it's a general expectation that when SMEs invest in CSR it means that they can compete with large businesses in the same market or gain specific trading relationships with TNCs in Northern markets, and communicate directly with consumers through environmental and social labels.
- **Learning and innovation.** IISD (2002) suggested that sustainability dialogues with stakeholders often bring enhanced returns, and several areas of potential benefit should be explored through CSR initiatives. However, contrastingly, Zadek et al. (2003) found that when firms invest in CSR partnerships with NGOs, trade unions and public bodies, the partnership is not profitable. Nevertheless, UNIDO (2002) emphasise that learning and innovation are key to companies' success and survival.

Bragdon and Marlin (1972) and Moskowitz (1972) are considered pioneers of research into the relationship between business performance and socially responsible activities. Blowfield and Murray (2008) relate SustainAbility (2001) and UNEP (2002) reports as the only attempts to establish a CSR/business-performance interface. Figure 2.14 exhibits seven corporate responsibility activities that positively affect business performance.

CHAPTER TWO

Figure 2.14 Areas of correlation between CSR and business performance

		Dimensions of corporate responsibility									
		Ethics; values, principles	Accountability and transparency	Adoption of triple bottom line	Eco-efficiency	Environmental products	Social development	Human rights	Working conditions	Business stakeholders	Non-business stakeholders
Business measures	Shareholder value										
	Revenue										
	Operational efficiency										
	Access to capital										
	Customer attraction										
	Brand value and reputation										
	Human capital										
	Risk management										
	Innovation										
	Licence to operate										
Key:											

Source: Blowfield and Murray (2008, p.139)

In Figure 2.14, the businesses' external corporate responsibilities increase business performance more than internal responsibilities do. Furthermore, reputation, risk management, operational efficiency, innovation and licence to operate are the main benefits of CSR. However, this research will also consider whether the SustainAbility (2001) and UNEP (2002) findings are true to the African SME context (Chapter 6).

IISD (2002) further identifies the benefits to communities when businesses actively engage in CSR activities:

- Charitable contributions.

CHAPTER TWO

- Employee volunteer programmes.
- Business involvement in community education, employment and homelessness programmes.
- Product safety and quality.

Likewise, environmental benefits (ibid.) from CSR activities include:

- Greater material ‘recyclability’.
- Better product durability and functionality.
- Greater use of renewable resources.
- Integration of environmental management tools into business plans.

However, UNIDO (2002) warns that the benefits associated with CSR will not be significant for every business, especially SMEs. The SME case for CSR differs amongst businesses in developing countries depending on factors like visibility, location and size and ownership structure, together with the sector and market segments in which they operate (Fox et al., 2002). For instance, SMEs operating in areas of high unemployment, with weak or no trade union representation, corruption and no community social responsibility activists or media presence, are likely to see limited business benefits from CSR activities. However, although it is clear that some drivers are less likely to be significant for SMEs in some parts of the sub-Saharan African region, it is difficult to generalise this point; legislation enforcement, social scrutiny and effective demand for responsibly produced products is low in Africa, which might decrease CSR rewards (ibid.).

Nevertheless, the business case for CSR has been under criticism for some time. For example, Friedman (1970) asserts that a company is the property of its shareholders, and CSR is insincere. In other words, companies can only make decisions that favour society if the outcome is also the most profitable one. Crane et al. (2008) recently listed some of the most pragmatic criticisms of the social responsibility debate:

CHAPTER TWO

How do business owner-managers determine what is socially responsible? To whom are they responsible: The whole society? The customers? The industry? The employees? The managers' family? The business itself? What happens when one responsibility means irresponsibility to the other? Should profits be given up to help needy customers? Etc.

Clearly, CSR involves a host of complex, contradictory and changing needs. For businesses, these needs are centred on a wide range of environmentally, socially and economically driven activities. It is suggested that these three stands are an integrated whole, which changes focus towards the achievement of SD goals.

2.4 Sustainable Development (SD)

'Our biggest challenge in the new century is take an idea that seems abstract – Sustainable Development – and turn it into a daily reality for all the world's people' Koffi Annam – Former UN Secretary General.

2.4.1 The definition of SD

The term 'sustainable development' is now appearing in a huge range of media (Chichilinisky, 2004). However, like CSR, SD integrates different terms, such as 'development', 'sustainability' and 'sustainable development', which are largely used interchangeably (Hopwood et al., 2005; Parris and Kates, 2003).

The concept is drawn from prominent issues and aspirations like peace, freedom, development and the environment, which WCED initiated in the General Assembly of the United Nations in 1982 (the 'Brundtland Commission') and highlighted in the WCED (1987) report 'Our Common Future'.

The Commission's membership was split between developed and developing countries, and the conflicts between environment and development were acknowledged:

CHAPTER TWO

Attempts to defend [the environment] in isolation from human concerns have given the very word “environment” a connotation of naivety in some political circles. The word “development” has also been narrowed [...] along the lines of “what poor nations should do to become richer.” But the “environment” is where we live; and “development” is what we all do in attempting to improve our lot within that abode. The two are inseparable (WCED, 1987, p.12).

Today, SD as a concept, goal, or movement is central to the mission of countless national institutions, corporate enterprises, sustainable cities, and businesses. The Brundtland Report highlighted a need for equilibrium between current development and consumption with the needs of future generations, emphasising the rapid growth in developing economies (WCED, 1987). The Brundtland Commission thus suggested today’s classic definition of SD as:

Development that meets the needs of the present without compromising the ability of future generations to meet their own needs (ibid.).

The definition conveys two key concepts:

1. Needs, in particular those of the world’s poor, to which overriding priority should be given; and
2. Limitations imposed by the state of technology and social organisation on the environments’ ability to meet present and future needs (ibid., p.43).

Although the definition does not specifically mention the environment or development, it does state that human needs are basic and essential; that economic growth and equity to share resources with the poor is required to sustain them; and that equity is encouraged by effective social participation.

[SD] does imply limits – not absolute limits but limitations imposed by the present state of technology and social organisation on environmental resources and by the ability of the biosphere to absorb the effects of human activities (WCED, 1987, p.43).

CHAPTER TWO

Nonetheless, the Brundtland Report has faced criticisms over the ambiguity of the meaning of SD (Kates et al., 2005). For example, Greenpeace once described SD as the ‘deceptive jargon’ of anti-environmentalism (Hayward et al., 2000). Thus, like CSR, there are alternative SD definitions in the literature as identified by Hayward et al. (2000) below.

‘We should utilize species and ecosystems at levels and in ways that allow them to go on renewing themselves for all practical purposes indefinitely.’ (Allen, 1980, p.18)

‘[SD] might be redefined in terms of a requirement that the use of resources today should not reduce real incomes in the future.’ (Markandya and Pearce, 1988, p.11)

‘[SD] is the concept that current decisions should not impair the prospects for maintaining or improving future living standards [...] This implies that our economic systems should be managed so that we live off the dividend of our resources, maintaining and improving the asset base.’ (Repetto, 1985, p.10)

‘[SD] implies using renewable natural resources in a manner which does not eliminate or degrade them, or otherwise diminish their usefulness to future generations. [It] implies using non-renewable (exhaustible) mineral resources in a manner which does not unnecessarily preclude easy access to them by future generations [and] depleting non-renewable energy resources at a slow enough rate so as to ensure the high probability of an orderly societal transition to renewable energy sources.’ (Goodland and Ledec, 1987, p.37)

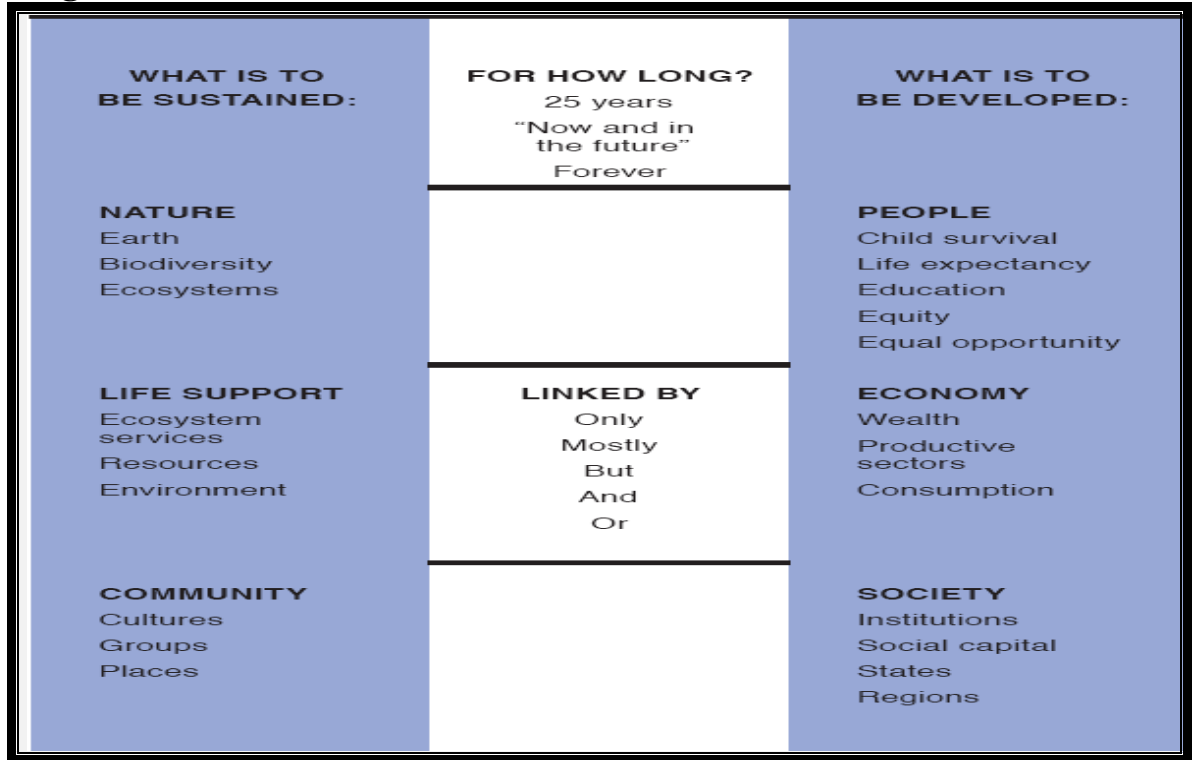
‘[SD involves] development without growth in throughput of matter and energy beyond regenerative and absorptive capacities.’ (Daly and Goodland 1996, p.1002)

Source: Hayward et al. (2000)

Alternative SD definitions have also fallen short. Nevertheless, the concept of sustainability has been adapted to tackle numerous ‘developmental’ challenges. Further studies aimed at solving the definition problem include that of the USNRC by Kates et al. (2005), which focused on the distinction between what is to be sustained and what is to be developed (Figure 2.15).

CHAPTER TWO

Figure 2.15 Definitions of SD



Source: Kates et al. (2005)

Under 'what is to be sustained', Kates et al. (2005) acknowledge three major categories – nature, life support systems, and community – as well as middle groups for each. This definition is the basis of SD since it emphasises life support systems, wherein nature or environment are a source of utilitarian life support (ibid). Similarly, the three ideas about what should be developed – people, economy, and society – represent a new focus in SD literature, with emphasis on goals such as increased life expectancy, education, equality and opportunity, as opposed to the earlier focus on economic development. At this point, SD clearly implies linking what is to be sustained with what is to be developed; however, the time period may be 'relative', which seems ambiguous.

Due to further ambiguity, other definitions of SD are based on: 'what it specifically seeks to achieve', as stated in the UN Millennium Development Goals (MDGs) (UNGA, 2005), and 'how it is measured', for example indicators such as the Wellbeing Index, Environmental Sustainability Index and the Global Reporting Initiative (GRI) (Kates and Parris, 2003).

CHAPTER TWO

The meaning of SD for businesses

Despite the Brundtland Report's ambiguous definition of SD, leading business institutions such as WBCSD have continually used it. For example, WBCSD defines SD as:

The form of progress of business strategies and activities that meet the needs of the enterprise and its stakeholders at present while protecting, sustaining and enhancing the human and natural resources that will be needed in the future (WBCSD, 1992, p.1).

This definition portrays the spirit of the concept as originally proposed by the Brundtland Report, and recognises that economic development must meet the needs of a business and its stakeholders. The latter comprises all stakeholders and highlights business' dependence on human and natural resources, which should be conserved for future generations. From this definition, businesses are called upon to address developmental, social, economic and environmental issues at the macro level, such as: economic efficiency (innovation, prosperity, productivity), social equity (poverty, community, health and wellness, human rights) and environmental accountability (climate change, land use, biodiversity). WBCSD (2010b) fosters businesses towards the SD agenda through a number of best practices such as stakeholder engagement, environmental management systems, reporting and disclosure and life cycle analysis

The WBCSD definition above aims to encourage managers to consider SD in relation to their businesses. However, Runnalls (2002) accentuates that SD must be a global initiative. SD emphasises intergenerational responsibilities and the need for multi-stakeholder coalitions to create conditions for better quality of life, now and in the future (Kates and Parris 2003).

2.4.2 The business paradigms of SD

The definition has a number of implications for businesses. Blowfield and Murray (2008) consider the definition's component parts: 'development that meets the needs of the present generations' suggests fair distribution across the

CHAPTER TWO

world's population in terms of quality of life. This has to be achieved by businesses 'without compromising the ability of future generations to meet their own needs' in terms of eco-justice and eco-efficiency (ibid.). This seems unachievable if one compares today's standards of living in developed societies to those in developing countries (e.g., poverty and famine still blight sub-Saharan Africa). WBCSD has repeatedly emphasised that poverty, climate change, education, equitable globalisation and good global governance are responsibilities of the whole of society (WBCSD, 2005). These challenges present businesses with a dilemma on how to adapt inclusive business models to organise commercial activities to address these issues, whilst maximising profits (Jensen and Meckling, 1976; WBCSD, 2010).

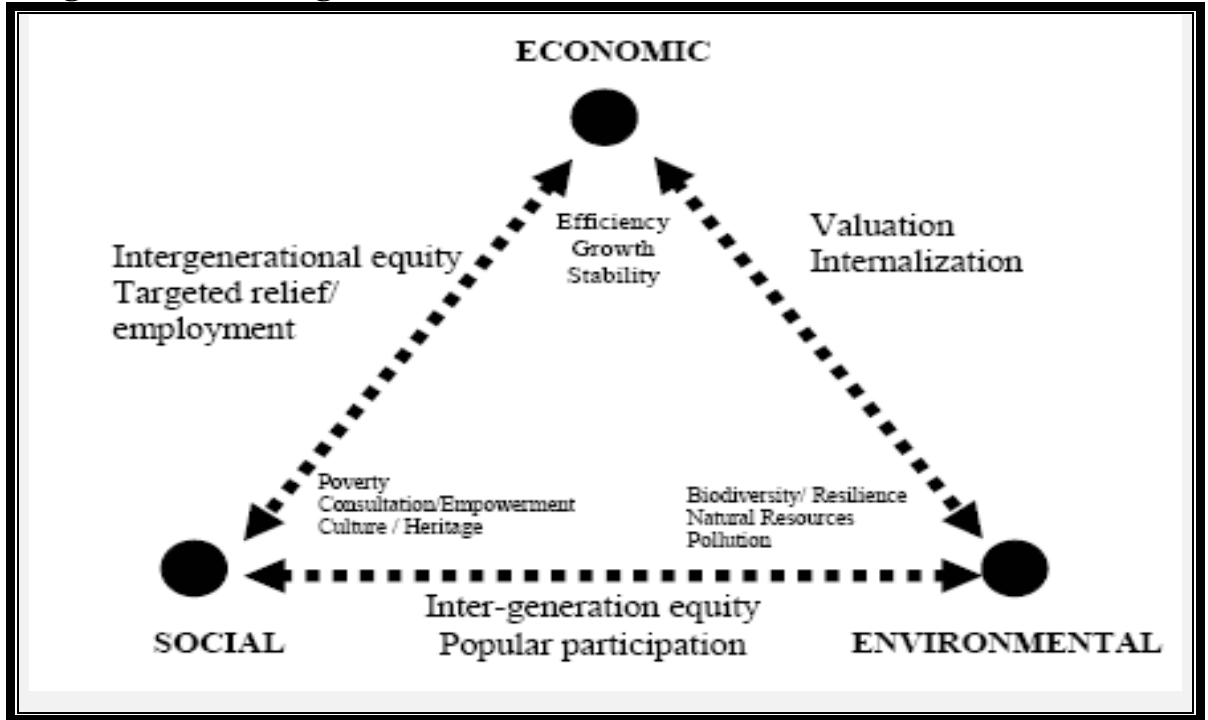
Despite these disputes, there is a general consensus that SD challenges everyone to understand the economic, social and environmental dimensions in an integrated manner (Aina and Salau, 1992). The Brundland Report provided a detailed analysis of SD and emphasised vital actions that could be sustained without destroying natural resources or harming the environment. The report highlighted three main components of SD:

- Environmental protection;
- Economic growth;
- Social equity.

These three 'pillars' (Figure 2.16) have been widely acknowledged as the most important characteristics of SD (Holme and Watts, 2000, p.4).

CHAPTER TWO

Figure 2.16 Paradigms of SD



Source: Munasinghe (1993, p.54)

The economic dimension focuses on efficiency, growth and stability as the maximum benefits possible from a set of assets, without harming future benefits. The environmental dimension is linked to the idea that natural dynamic processes can become unstable as a result of stresses imposed by human activity, while the social pillar intends to meet human needs. However, Steurer et al. (2005) assert that the concept of SD goes beyond these three principles; since SD is development-oriented, some issues are of a general conceptual nature, such as participation or the integration of the three dimensions themselves, yet these issues do not fit neatly into one pillar – hence the creation of a fourth dimension called ‘second-order issues’. These issues are applicable at the microeconomic (business) level to how they contribute towards the macroeconomic level.

Steurer et al. (2005) identified the issues surrounding SD within these ‘three plus one’ dimensions, together with sub-sections (Table 2.9).

CHAPTER TWO

Table 2.9 Framework of SD at the microeconomic level

	Aspects	Outlines of dimensions and issues
Economic sustainability (Do business operate in a way that enables the company to continue for an indefinite time)	<ul style="list-style-type: none"> Financial performance Long-term competitiveness Economic impact 	Exhibit sufficient cash-flow and persistent return to shareholders Maintain or improve future competitiveness and company performance Deal with corporations' impacts on particular stakeholder groups
Social sustainability (Contribute to the social well-being of society and individuals)	<ul style="list-style-type: none"> Equity within a corporation International equity Internal social improvement External social improvements 	Strive towards more equal distribution within a corporation ('s branch) in a certain county Strive towards more equal distribution of income and wealth between countries Improve social conditions within a corporation (i.e. regarding employees) Improve social conditions outside a corporation (i.e. in its neighbourhood)
Environmental sustainability (Maintain natural capital to a certain degree)	<ul style="list-style-type: none"> Resources Emissions Environmental damages/risks 	Use non-renewable and renewable (energy) resources responsibly Avoid emissions into water, air, soil and neighbourhoods (noise) to a certain degree Avoid environmental damages and risks to a certain degree
Second-order requirements (By advancing economic, social and environmental issues, SD has to obey some general process and concept requirements)	<ul style="list-style-type: none"> Transparency and participation Reflectivity Integration Intergeneration equity/foresight 	'Corporate openness' toward stakeholders via communication, reporting, SRM, etc. Continuous learning through monitoring and evaluation Progress in one dimension of SD should not come at the expense of other dimensions ('TBL commitment') Satisfy the needs of an enterprise and its stakeholders today and in the indefinite future

Source: Steurer et al. (2005, p.270)

SD is concerned with the economic paradigm in which shareholders get a return on their investment. However, its main concerns are stakeholders and society (Sahn and Stifel, 2003; IFAD, 2001). It unites staff and shareholders as part of a global community, embedded within the natural environment (Korten, 2006). GRI (2002) accentuates that businesses are sustainable through paying taxes, wages, suppliers, creditors and shareholder dividends. Furthermore, when it comes to the social dimension, SD is about equity within and between present

CHAPTER TWO

and future generations. Businesses can work together to reduce income disparities and worker exploitation, both locally and globally, thus exposing internal and external social improvements from SD.

The environmental pillar depicts three traditional issues: resource exploitation, emissions and environmental damages and risks (WBCSD, 2001b). Hawken (1993) calls on businesses to ‘create a very different kind of economy, one that can restore ecosystems and protect the environment while bringing forth innovation, prosperity, meaningful work and true security’. This will minimise exploitation of natural resources, as well as excessive generation of toxins and waste.

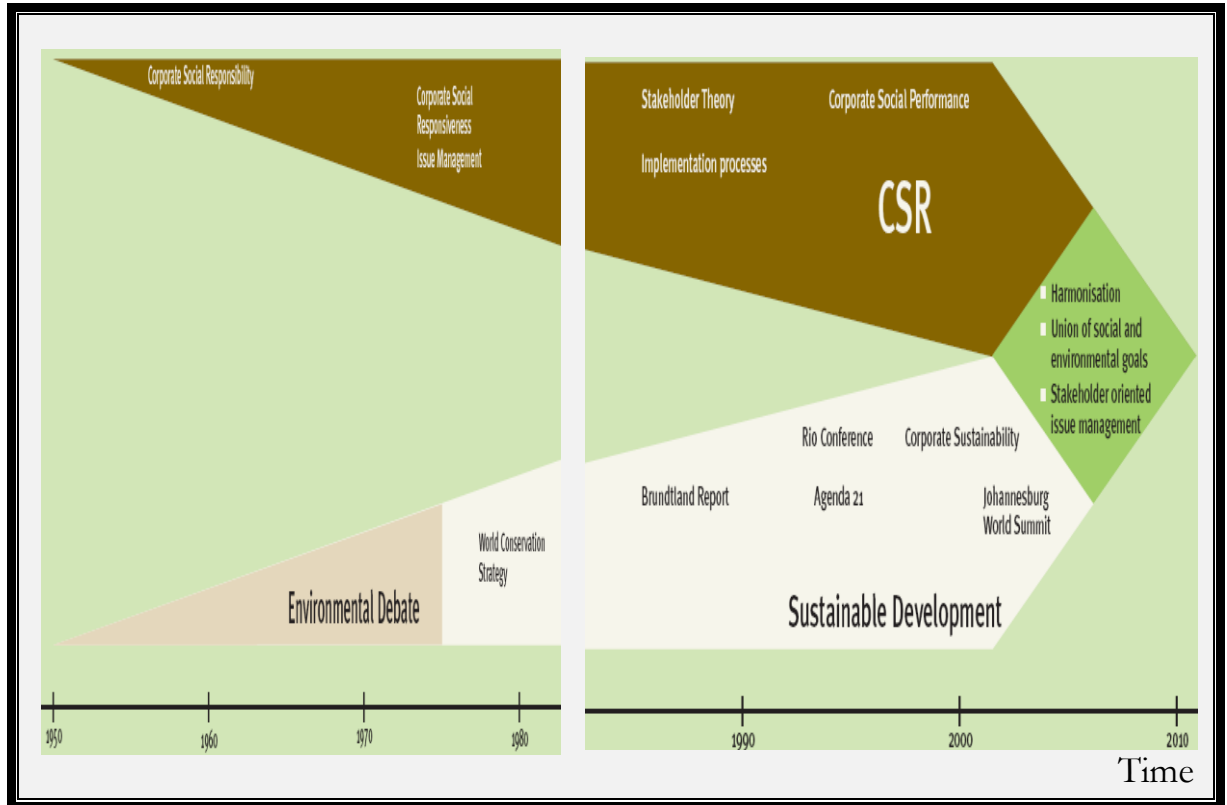
2.4.3 CSR and SD

CSR is discussed throughout this chapter as a guiding business model, addressing the short- and long-term economic, social and environmental performance of firms. SD, on the other hand, stresses three pillars in relation to long-term well-being (Dyllick and Hockerts, 2002). CSR calls on businesses to address issues identified in their communities, above their core objectives (Mutz, 2003)

CSR came into existence before SD, which emerged from the environmental protection debate (section 2.1), as shown in Figure 2.17.

CHAPTER TWO

Figure 2.17 A comparative evolution between CSR and SD



Source: Loew et al. (2004)

CSR surfaced in the mid-1930s (Blowfield and Murray, 2008), whilst SD transpired at the UN Earth Summit in 1992 (Loew et al., 2004); however, in today's global economy, the two concepts overlap. Sustainable management within businesses continues to revolve around what businesses do (CSR activities) to contribute towards SD goals.

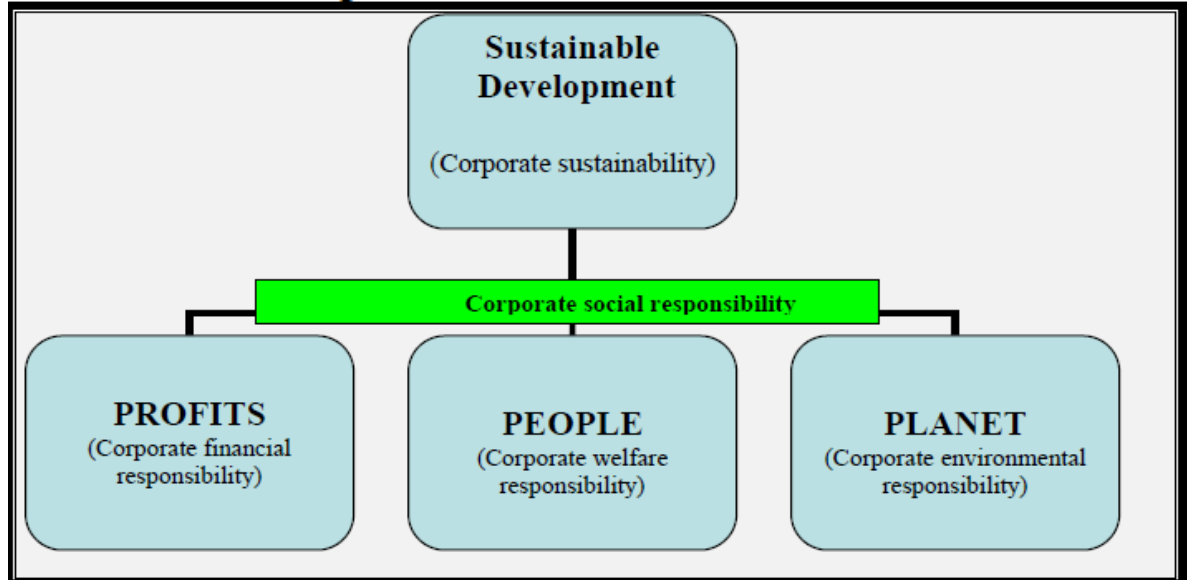
The relationship between CSR and SD

The historical evolution of CSR and SD creates a very strong case that these two concepts are similar, since they are centred towards harmonisation, union of social, economic and environmental goals and stakeholder-orientated management issues (Loew et al., 2004; ISO, 2004; 2010). However, some practitioners have suggested that the term 'corporate social responsibility' limits the scope of responsibility to social issues, thereby excluding spheres such as the environment (McWilliam et al., 2006). Despite this criticism, CSR and SD have continually been used synonymously. However, Van-Marrewijk (2003)

CHAPTER TWO

demonstrates how different corporate responsibilities (financial, environmental and welfare) are attributed to CSR, and contribute overall to SD (Figure 2.18).

Figure 2.18 CSR Attributes towards SD



Source: Van-Marrewijk (2003, p.8)

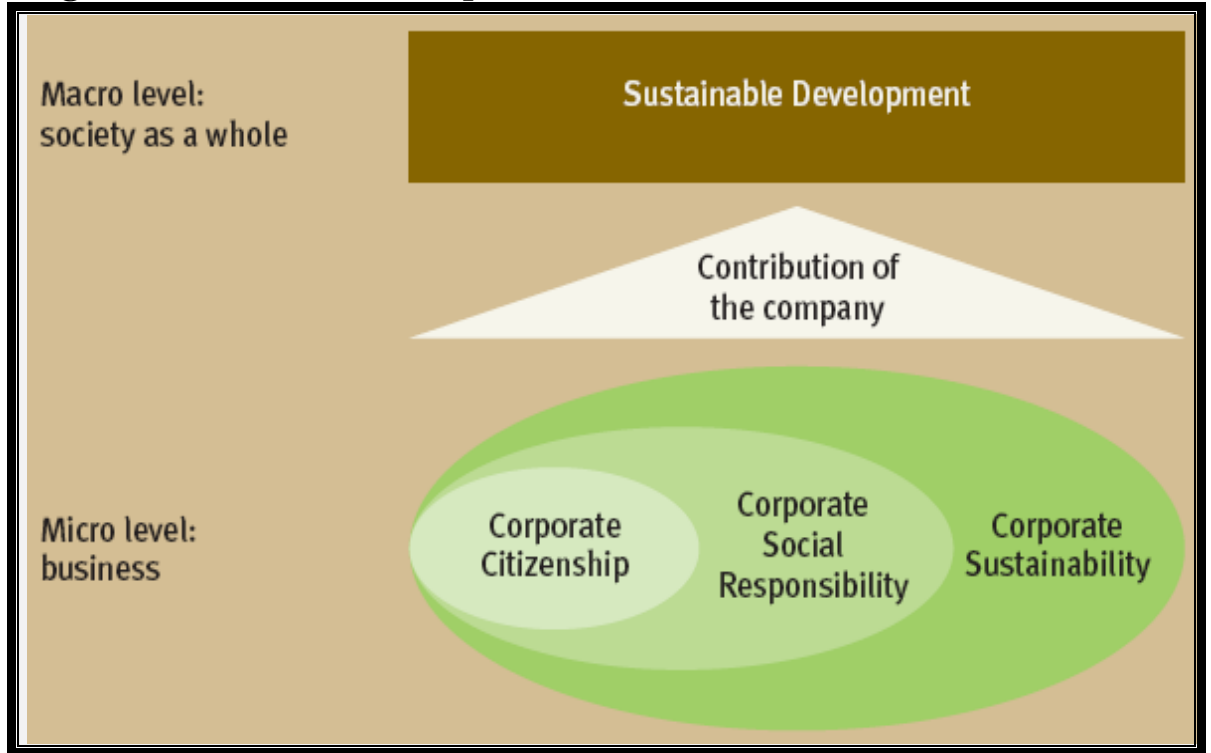
Similarly, Steurer et al. (2005) outline the differences between CSR and SD in terms of:

- ✓ Different stakeholder roles and expectations: for example, shareholders expecting a profit and society working towards things like environmental protection. Within SD, stakeholders work towards similar objective/s.
- ✓ Varying temporal scope: SD is a guiding model which depends mainly on society's analysis, whereas in CSR stakeholders play a major role (Holme and Watts, 2000; ISO, 2004, 2010).
- ✓ Levels of operation: SD is a larger (macro-level) concept than CSR (micro-level); although the temporal scope of CSR goes well beyond the quarterly shareholder perspective (Carroll, 1999, p.274), it does not go as far as SD, which covers several generations.

Loew et al. (2004) demonstrate that the two notions are different, but interlinked (Figure 2.19).

CHAPTER TWO

Figure 2.19 The Relationship between CSR, CC and SD



Source: Loew et al. (2004)

Using a similar interpretation, the EC (2001; 2002), ISO (2004) and DTI (2004) have all concluded that **CSR is the contribution businesses make towards SD.**

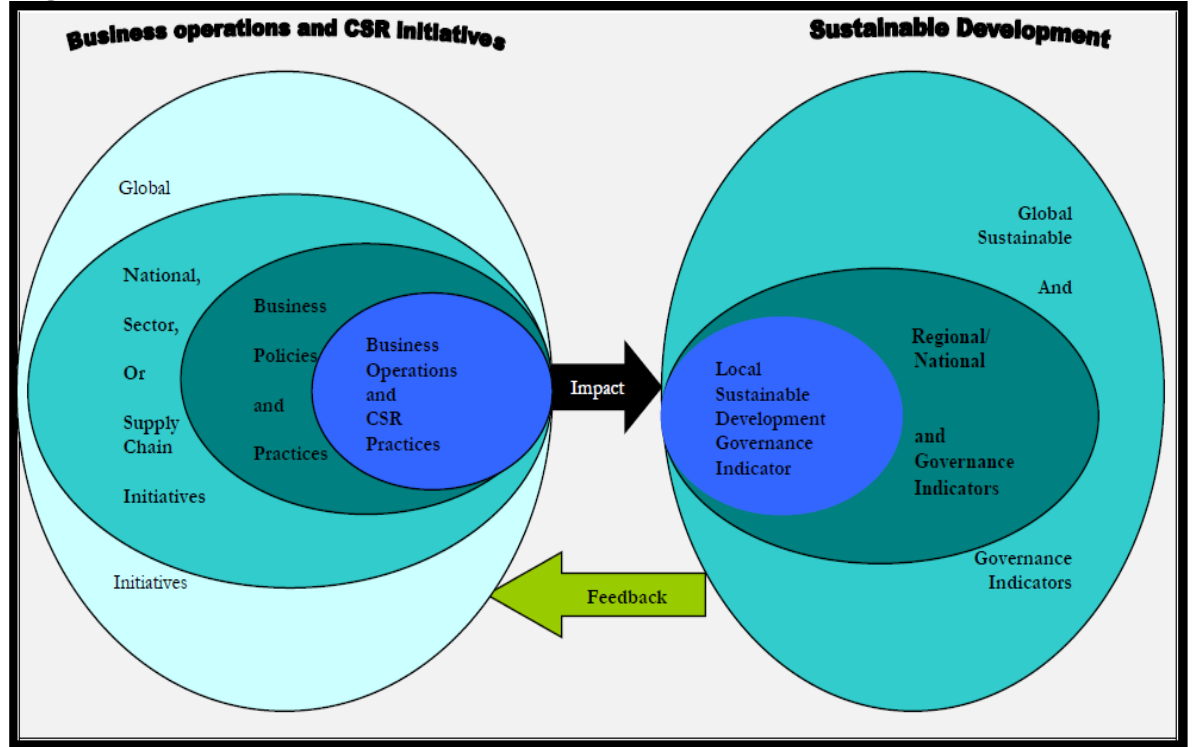
WBCSD defined CSR in terms of proactive efforts by business decision-makers to contribute towards SD (WBCSD, 2002). These efforts are important; for example, the United Nations Global Compact argues that ‘through responsible business practices, businesses are making a unique and significant contribution in implementing the [MDGs]’ (UN, 2007, cited in Hamann, 2007). Hence, like the UN, this research presents the MDGs as a measurement mechanism for businesses’ contribution towards SD. Businesses can make an impact on social, economic and environmental development (Ehrenfeld, 2000); this can be represented as: **CSR → SD.**

Recently, Hamann (2007) utilised Loew et al.’s (2004) understanding of CSR/SD to establish a model which illustrates businesses’ CSR contributions towards

CHAPTER TWO

development (Figure 2.20), under the premise that business impacts at the local ‘coalface’ have an impact at the global level (Hamann, 2007).

Figure 2.20 The impact of businesses’ on SD



Source: Hamann (2007, p.19).

The model is based on the initial, tentative distinction between initiatives that have an impact ‘of’ CSR practices at the business level, ‘on’ the social economic and environmental spheres of SD. Stakeholders are affected directly by the business’ local operations through CSR activities like employment; these are nested within broader scales of analysis relevant to the business’ policies and practices (ibid.). Local livelihoods and governance systems are in turn influenced by the national economic and social context, for which numerous high-profile indicator sets directly impact national economic, social and environmental systems (ibid.).

Despite criticisms around the measurement of SD, Hamann (ibid.) cites the MDGs (UNGA, 2005), the Human Development Index (UNDP 2006), governance indicators (Kaufmann et al., 2007) and environmental indicators (Esty et al. 2005) as global SD and governance indicators.

CHAPTER TWO

2.4.4 Measuring a business' contribution to SD

Recently, some businesses have responded to recommendations from the Brundtland Report and the 1992 United Nations Conference on Environment and Development to adapt SD as a business objective. Nevertheless, firms are faced with the difficulty of mapping, or measuring and monitoring, their progress. Some of this work focuses on specific SD attributes, such as health and the environment, while other parts attempt to define a full set of indicators. Social, economic and environmental indicators have been developed as a result (Parris and Kates, 2003).

SD has broad appeal, and attempts to combine development, environment and equity are becoming common. However, commentators on SD differ in their emphases on what is to be sustained and developed, how environment and development are linked, and how long they are linked for (Steurer et al., 2005). Despite the persistent definitional ambiguities associated with SD, much work has been devoted to developing quantitative SD indicators (Parris and Kates, 2003). As a result, a number of methods are used by different institutions, researchers and governments when it comes to measuring SD (ibid.):

- Consultative Group on Sustainable Development Indicators (CGSDI).
- Wellbeing Index.
- Human Development Index (UNDP 2006).
- Governance indicators (Kaufmann et al. 2007)
- Environmental indicators (Esty et al. 2005)
- Global Scenario Group indicators
- Ecological Footprint
- Genuine Progress Indicator
- Environmental Sustainability Index
- US Interagency Working Group on Sustainable Development Indicators (USIWGSDI)
- Costa Rica System of Indicators for Sustainable Development
- Boston Indicators Project
- State Failure Task Force

Source: Parris and Kates (2003)

CHAPTER TWO

The above examples (*ibid.*) all use territories as their object of analysis. However, sustainability can also be measured using other objects, such as the GRI.

Measurement of SD at the business level is thought to differ for two reasons:

1. Business activities do not fit neatly into a natural hierarchy of ‘scales’ (e.g. catchment regions, eco-systems) and this makes some of the matching implicit in SD very difficult to achieve (Elkington, 1999).
2. Businesses’ various characteristics and objectives (confined by corporate governance) mean that they act differently to the overall market system (Coase, 1937).

Authors have, however, reviewed different methods for measuring SD at the business level (Compton et al., 1998; Veleva and Ellenbecker, 2000; Salvaris, 2002; Dyllick and Hockerts, 2002), as follows:

- **Suite of indicators** may involve a list of measures grouped according to the three SD pillars. Many businesses use this method due to its ability to overcome the limitations of valuation methods and the resulting difficulties in reducing all measures into one unit of value. The method is favoured by those adopting the definitions approach (Elkington 1999; GRI, 2000; SustainAbility and UNEP, 2002); it simplifies what constitutes SD using one measurement. This could be a good method for Ugandan SMEs to adopt, as the defined measures are known (MDGs).
- **Transition indicators** measure an institution’s progress towards a positive contribution to SD. The movement/transition is divided into identified steps towards sustainability. There tends to be legislative follow-up (Stern, 1997) in relation to the institutional change agenda (as set in the institution’s policy and objectives). SD is not achievable without institutional change (Dunphy and Griffiths, 1998) – thus the importance of the transition indicators. This method is favoured by those adopting a charters approach (Beaumont 1993; Dunphy and Griffiths 1998; WMC Limited, 2001).

CHAPTER TWO

- **Consolidated indicators:** all components of measurement are converted into a common unit, which could be currency (\$) or (£) or an index number. However, this has been criticised as to whether it is possible to reduce the measurement of human wellbeing, for example, to an index or amount (Stern, 1997; Deegan, 1999). This method is favoured by those adopting a systems approach (Atkinson, 2000; Figge and Hahn, 2002).

Thus, there is no universally acceptable indicator set for measuring SD from micro to macro level. This is due to the ambiguity of SD terminology, and the plurality of purpose in characterising and measuring SD, data and methods of measurement (Parris and Kates, 2003). As a major step in reducing such confusion, this research adopts the MDGs as a measurement indicator towards SD by Ugandan SMEs for two reasons. First, they address human beings' economic efficiency, social equity and environmental accountability dimensions (identified in the businesses' SD definition) of developmental greatest challenges, such as poverty and hunger; improving education, gender equality and health; and ensuring environmental sustainability. Second, the MDGs reflect a broad official consensus on clear, measurable and time-bound goals for addressing these challenges.

2.4.5 Millennium Development Goals (MDGs)

The MDGs are time-bound and quantified targets to address developing countries' extreme problems, such as poverty, hunger and disease. They also promote gender equality, education, and environmental sustainability, and include basic human rights. All 189 UN member states have pledged to meet the MDGs by 2015 (UNGA, 2005). The MDGs are further divided into 18 targets, which include 48 indicators to measure progress (Appendix J).

It is important that businesses work with stakeholders to incorporate CSR practices to overcome societal issues. WBCSD (2005) warns that failures to work together to overcome global societal issues is likely to undermine the pillars of

CHAPTER TWO

business success, since ‘development is good for businesses and businesses are good for development’. Consequently, many businesses have to adapt strategies toward achieving these MDGs.

2.4.6 The business case for SD

The former UN secretary, General Kofi Annan, recommended that: ‘everyone including business-people should concentrate on local and global markets while creating a shared future based upon common humanity in all its diversity’ (UN, 2000, p.2). This means that businesses (of all sizes) should engage in good local practices, while achieving their business objectives. Litvin (2003b) prompts local small businesses to pay attention to their social and political environment. This, in return, enhances firms’ operational capabilities, opens new markets and facilitates expansion (ibid.). Perceval et al. (2004) cite the business case for SD as the basis for the liberal economic approach to SD.

Nelson (2001) suggests that businesses will always have a case for sustainability, for the following reasons:

- Better company performance.
- Enhanced brand value, reputation and competitiveness.
- Better access to finance and lower cost of capital.
- Better labour relations and increased productivity.
- Cost savings through more efficient resource use.
- Revenue growth and increased market access.
- Better risk management and enhanced ‘license to operate’.
- Promotion of sustainable export earnings and increases in the country’s competitive advantage.

The above business case for SD (ibid.) is similar to the business case for CSR, thus reinforcing the erroneous ideology that CSR and SD are synonyms

CHAPTER TWO

(Marrewijk, 2003, p.102). WBCSD is also a strong advocate for the business case for SD:

Pursuing [SD] can make our firms more competitive, more resilient to shock, nimbler in a fast changing world, more unified in purpose, more likely to attract customers and the best employees, and more at ease with regulators, banks, insurers and financial markets (WBCSD, 2002, p.2).

Many cases [...] can be made for [SD]: moral, ethical, religious and environmental. But [...] we emphasise the business case (WBCSD, 2002b, p.227).

The business case for SD can be regarded as robust (Zammit, 2003). SustainAbility (2003) forwards empirical evidence in the form of a Business Case Matrix, which confirms added advantages to businesses in a free market economy. The free market economy approach has created a debate amongst those who believe that a business' objective is stakeholder welfare vs. shareholder profit maximisation (Friedman, 1962, 1970; London, 2003).

Large businesses have been compared to elephants and SMEs to fleas (Handy, 2002), emphasising the welcome stability of elephants but the superior ability of fleas to make things happen. SMEs can enjoy these benefits too once they incorporate SD strategies within their objectives. However, many SMEs in the developing world have not even tried this route due to various constraints.

2.4.7 Obstacles for developing-economy SMEs to contribute towards SD

SMEs are faced with a considerable number of internal and external barriers towards development and SD. Under Van-Marrewijk's (2003) understanding that CSR and SD are synonymous, UNIDO (2002) puts forward four significant obstacles for SMEs to engage with CSR, which are identical to those limiting SD engagement:

- Lack of technology, expertise, training and investment.
- Little understanding of the SME case for CSR/SD.
- More pressing needs.
- Price competition and limited consumer pressure.

CHAPTER TWO

Most SMEs in developing countries are primarily concerned with short-term economic survival (Hillary, 2000; Tushabomwe-Kazooba, 2006), thus giving them little immediate agenda for long-term development. Some SMEs regard SD management strategies as too complicated and expensive to implement within their settings in emerging economies (Hillary, 1999). Thus, most leave such strategies to large businesses, who can afford these investments.

A number of studies stress lack of financial resources as the limiting factor behind SMEs' failure to contribute to growth, regional development and SD (Liedholm and Mead, 1999; Keyser et al., 2000). SMEs are considered high-risk borrowers making them ineligible for commercial loans or faced with incredibly high interest rates (Gray et al., 1997; Kiggundu, 1988; Trulsson, 1997; Van Dijk, 1995). However, the degree to which limited financial resources alone is an obstacle is still debatable. Studies have found that supplementary financial resources are often not required, and can be shadowed by creativity and innovation (Hart, 1972; Godsell, 1991; Dia, 1996; Harper and Soon, 1996), and Kallon's (1990) study of business growth vs. financial credit found that the relationship did not significantly contribute to entrepreneurial success or sustainability.

Others authors have linked SMEs' lack of business management knowledge and skills to their inability to attract qualified/skilled employees, and manage SD strategies (Lussier, 1996; Mahadea, 1996; Murphy, 1996; Eeden et al., 2004). Tushabomwe-Kazooba (2006) revealed that poor recordkeeping and a lack of basic environmental management experience and skills are also a big obstacle to engaging in SD. Okpara and Wynn (2007) criticised researchers for failing to identify particular management problems, which are the main obstacles towards developmental contributions amongst African SMEs. This research project tries to resolve this criticism by exploring whether SMEs from this region actually engage in CSR practices.

CHAPTER TWO

Most SMEs in Africa are family-owned, which can create issues of nepotism (Dia, 1996). It is also very difficult to attract expertise, professional management or guidance within an SME setup (Tushabomwe-Kazooba, 2006). External parties like environmental government institutions, banks and sustainability consultants will find it difficult to get involved in the overall running of such businesses. Often, family dependence leads to SME failure because business objectives conflict with family objectives (Kets-De-Vries, 1993). The prospect of accommodating the SD initiative is hard to introduce to owner-managers due to the high cost of environmental issues, and owners' rigidity (UNIDO, 2005).

The other major barrier relates to the owner-managers' culture and attitude. SMEs often serve a small portion of the community (Dia, 1996; Tushabomwe-Kazooba, 2006); this makes them unwilling to cooperate and share information – which would facilitate SD at the macro level – with other communities. Some SMEs fear the power of large companies and the threat of acquisition. Okpara and Wynn (2007) emphasise that many SMEs are unaware that engaging in social and environmental issues is not just 'goodwill', but an essential part of responsible business practice (*ibid*). In many cases, employee involvement and internal cross-functional communication is lacking, which results in internal and external communication barriers.

SD, like CSR, is a complex concept, and owner-managers do not believe that businesses like theirs can or should address it (Jenkins, 2004). Furthermore, the literature identifies other development problems faced by SMEs in most sub-Saharan African economies, including: poor infrastructure (Tushabomwe-Kazooba, 2006), poor location (Mambula, 2002), failure to conduct market research (Eeden et al., 2004), and corruption (Kiggundu, 2002; Liedholm and Mead, 1999; Okpara and Wynn, 2007).

CHAPTER TWO

2.5 Summary of Chapter 2

Based on the literature review above, the following conclusions can be drawn:

1. The role of businesses (particularly SMEs) in societies is universally recognised.
2. CSR understanding in the literature depends on individual opinions focusing on the broader role of businesses in society.
3. CSR drivers in literature are skewed towards organisations' perspectives, and few studies have been conducted on individually owned firms, specifically SMEs.

CSR and SD concepts are complex phenomenon that lack clarity and consistency in their interpretation and understanding by both academia and business. However, literature in this chapter exhibits a two-fold bias; whereby the vast majority of recent studies have focused on (a) large MNCs in the North, and (b) the types of CSR practices that these large Northern companies promote. Smaller companies, in developing country contexts, are typically portrayed as lagging behind in terms of their understanding and engagement in corporate responsibility. However, this chapter recognises CSR as the contributions businesses make toward SD and/or as a guiding model to address the short- and long-term economic, social and environmental performance. This creates a gap in literature on an exploration to whether small businesses do make that contribution towards SD.

CHAPTER THREE

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

Labels are subjective and therefore can be unreliable (Johnson and Duberley, 2000: 148), and do not equate to a simple and agreed philosophical and practical definition. With this in mind, this chapter outlines the study's philosophical perspective, research design, data selection process and data analysis.

Chapter Objectives

1. Review research paradigms associated with the subject areas (SMEs, CSR and sustainability);
2. Locate chosen methodology within the broader context of the philosophy of research;
3. Outline research method, data gathering process and participant group profile;
4. Introduce the approach to data analysis and the frameworks derived from the findings;
5. Summarise the relevance and implications of the research method for the findings.

3.2 Research paradigms

Scholars tend to use different research paradigms throughout their knowledge-gaining journeys. Therefore, outlining a methodology within the philosophy of research such as CSR and SD is vital. The contribution of philosophy is to suggest that all research is based on different assumptions, often referred to as research paradigms (Burrell and Morgan, 1979; Kuhn, 1970). A paradigm is a 'worldview' (Burrell and Morgan, 1979, p.24; Patton, 1990, p.37), a 'brief that guide[s] action' (Lincoln and Guba, 1998); 'an inquiry of the world' (Remenyi, 1998) or 'a set of linked assumptions about the world' (Thompson and Perry, 2004, p.403). Therefore, it is subject to a researcher's perception, which Bryman (2012) considers a useful definition of a paradigm: 'a cluster of beliefs, values and techniques that scientists in a particular discipline influence what should be studied, how research should be done and how results should be interpreted'.

CHAPTER THREE

A paradigm reflects how a researcher understands the world (Alvesson and Skoldberg, 2000), supported by everything in the environment. This view entails assumptions on the way research is designed, and how data is collected and analysed, so as to derive conclusions. These assumptions (paradigms) focus on: ontology, epistemology and methodology (Morgan, 1983).

Paradigms and their elements have been variously classified (Figure 4.2). Guba and Lincoln (1998), for example, present an ontological continuum from critical theory to positivism paradigms, and contrast the key features of constructivist and post-positivist paradigms, as opposed to Easterby-Smith et al. (1991), whose theory ranges from subjectivist versus objectivist to postmodernist versus modernist.

Figure 3.1 Range of Research Paradigms

Critical theory. Constructivism	Guba and Lincoln (1998)	Positivism, Post-positivism.
Subjectivist, Phenomenological	Easterby-Smith, et al. (1991)	Objectivist, Positivist
Narrative mode	Bruner (1986)	Logico-scientific mode
Postmodernism	Starkey et al. (1997)	Modernism
Constructivist- interpretive. Critical Feminist-poststructural	Denizin and Lincoln (1998)	Positivist, Post-positivist
Subjectivist, Critical theory. Critical realism,	Johnson and Duberley (2000)	Objectivist, Positivism Neopositivism. Postmodernism Pragmatism. Conventionalism

Source: Compiled by the author.

There is confusion in the literature regarding how beliefs, feelings and values are constructed and used in research. For example, Guba and Lincoln (1998) suggested grouping paradigms into positivism, post-positivism, critical theory and constructivism; while Denizin and Lincoln (1998) proposed grouping as

CHAPTER THREE

positivist/post-positivist, constructivist-interpretive, critical (including Marxist, emancipatory) and feminist-poststructural.

Some authors, such as Alvesson and Skoldberg (2000, p.59), have noted this confusion, however there is no agreed-upon narrative of epistemology and methodology, and no single definition of alternative approaches, despite the common currency of the terms employed. Goulding (1999, p.862) makes the point that ‘simply identifying and selecting the [methodology] that is right both [for the] researcher and the problem at hand is challenge enough’.

Some agreement seems to be present at the extreme of the philosophical range – namely positivist and phenomenological, interpretive, constructionist or postmodern perspectives (Figure 4.2). However, Easterby-Smith et al. (2002) warn that these represent only the ‘pure’ and abstract versions of each paradigm. Thus, although the basic beliefs represented by each philosophical extreme may be incompatible, the distinctions become less clear for selecting pragmatic research methods and techniques. The importance of aligning philosophical assumptions and research methods also varies. Carson et al. (2001) highlight two different approaches to the adoption of research methods: the paradigmatic (requiring epistemological justification) and the pragmatic (employing technical justification). The pragmatic tends to be used more by positivist researchers, whilst the paradigmatic is interpretive or constructionist (ibid.).

Perry et al. (1999) and Denzin and Lincoln (2005) classified paradigms into four main types (Table 3.1) by summarising their ontological and epistemological behavioural characteristics around a research approach.

CHAPTER THREE

Table 3.1 Best beliefs of alternative inquiry paradigms

Items	Positivism	Postpositivism	Critical theory	Interpretive/constructivist
Ontology “reality”	Naive realism – real” reality but apprehensible	Critical realism – “real” reality but imperfectly and probabilistically apprehensible	Historical realism – virtual reality shaped by social, political, cultural, economic, and gender values; crystallized over time	Relativism – local and specific constructed/c o-constructed realities
Epistemology “relationship between that reality and the researcher”	Objective/objective findings true experiments/ surveys: verification of hypotheses: chiefly quantitative methods	Modified dualist/objectivist; critical tradition/ community; may include qualitative methods	Transactional/subj ectivist; value-mediated findings	Transactional/ subjectivist; created finding
Methodology (ways through which knowledge is accumulated)	Experimental/ manipulative; verification of hypotheses; chiefly quantitative methods	Modified experimental manipulative; critical multipism; falsification of hypotheses; may include qualitative methods	Dialogic/dialectical	Hermeneutical /dialectical

Source: (Denzin and Lincoln, 2000, p.165)

Positivists assert that there is only one true apprehendable, identifiable and measurable reality (McAuley et al., 2007, p.33). Positivists therefore tend to answer research objectives calling for a ‘why’ explanation or with an objective measurement. The core positivist belief is that the world exists in an objective sense (Eastby-Smith et al., 2002), and that one can interact with it objectively and neutrally – i.e. researchers cannot gather empirical data without interfering with the subject matter. This facilitates theories that can be proved or disproved by testing hypotheses. Donaldson (2005) uses the phrase ‘validating’, meaning that ‘truth’ or ‘reality’ can be validated or falsified by empirically testing it. Authors such as Magee (1985, p.22) are of a view that verifying truth is logically impossible; however some other authors, argue that positivism does not give an

CHAPTER THREE

allowance to the researcher to have a direct interaction the data source (respondents) because it is primarily deductive, exploring direct cause and effect outcomes (Thompson and Perry, 2004; Donaldson, 2005). Positivism did not fit this research project because it does not allow the researcher to interact with the data source (owner-managers), since positivism is primarily deductive, exploring direct cause-and-effect outcomes (Thompson and Perry, 2004), and does not accommodate interpretations of unobservable constructs about humans interacting within their research environment (Perry et al., 1999).

Postmodernism has been deemed complex due to its unclear definition (Rosenau, 1992). Authors have even failed to agree on the spelling of the word ‘postmodernism’, and two different meanings (epochal and epistemological) get confused (see Hassard, 1992; Kilduff and Mehra, 1997; McAuley et al., 2007). The paradigm supposes that people’s minds are damaged and that life’s phenomena are basically intractable, and therefore one can never fully capture a ‘true’ reality (McAuley et al. 2007). Thus, postmodernists accept there is a true reality which can only be apprehended and measured imperfectly by human language (voice) (Eastby-Smith et al., 2002). The emphasis is on the paradigm’s objectivity in expressing reality.

Critical theory paradigm advocates reality as constructed from a social-historical background (Eastby-Smith et al., 2002). The underlying emphasis here is researcher-participant interaction aimed to empower participants to work towards a common goal (Morgan, 1983). Critical theory, according to Eastby-Smith et al. (2002), also recognises that reality is shaped by ethnic, cultural, gender, social, and political values. Critical theorists focus on realities that are mediated by socially and historically constituted power relations.

Interpretive paradigms are inconsistently used by researchers; for example, Denzin and Lincoln (2005) suppose that every research is interpretive; others use ‘interpretive’ as a descriptor for positivistic approaches; while others (including

CHAPTER THREE

the researcher on this project) use it synonymously for non-positivistic, phenomenological, constructivist or symbolic interaction perspectives (Esterherg, 2002; Carson et al, 2001; Musson, 1998). The paradigm requires the researcher to examine the perspectives, beliefs and values of individual people, so as to yield multiple, internal, subjectively constructed realities (Thompson and Perry, 2004). Like critical theorists, the researcher is expected to work from within the research environment, and thus is becomes 'passionate participant' (Guba and Lincoln, 1994, p.112). The paradigm tends to be associated with particular approaches and techniques, for example reflexivity and life history within qualitative research (Ellis et al., 2000).

3.3 Locating a paradigm around this research subject

3.3.1 CSR and SD

In social science literature, the positivist paradigm has dominated; however, there is a growing interest in interpretive paradigms (Alvesson and Deetz, 2000). A review of CSR and SD literature by Sharma and Rudd (2002) suggests that it is highly pluralistic, due to its extensive dependence on the research paradigms of a number of management areas such as marketing, operations management, HR etc.

Crane et al. (2008) categorise CSR theory into four areas – instrumental theories, which link CSR and profitability (Windsor, 2001; Friedman, 1962); descriptive and normative research on sustainability strategies (Donaldson and Dunfee, 1999); and exploratory research on CSR drivers (Garriga and Melé, 2004; Friedman, 1970; Waddock and Graves, 1997; Bowie, 1991; Visser, 2008), suggesting a mixture of positivist and interpretive approaches. Sharma and Rudd (2002), however, predicted that a balance between these methods would arise, with positivist approaches using case studies, surveys and experiments, and critical approaches encompassing postmodernism and symmetrical anthropological approaches.

CHAPTER THREE

Similarly, Visser (2006b) found that CSR papers are evenly split between empirical and theoretical research, although quantitative research dominates among CSR papers. Visser suggests that this is more a reflection of the journals' editorial policies than an academically favoured research approach.

In a different trend, a qualitative research approach common in CSR/SD is the narrative technique (Boje, 1991). Starkey and Crane (2003, p.221) suggest that 'the narrative mode of thought seems particularly appropriate for a society'. Numerous examples of CSR and SD papers have reflected a positivist research paradigm (Quazi and O'Brien, 2000; Schuler and Cording, 2006), although there is recent evidence of interpretive research in the literature (Borga et al. 2006; Jenkins, 2006).

3.3.2 Interpretive paradigm

The research paradigm on which this project is based will be described as 'interpretive'. This project aims to identify how SMEs contribute to SD through CSR practices in sub-Saharan Africa. This will result in establishing the social responsibility activities engaged in by SMEs; why owner-managers engage in such activities; and whether they contribute to SD. The paradigm's ability to answer questions such as what, how and why (Remenyi, 1998; Carson et al., 2001), and to be used for humanistic inquiry (Foxall, 2000), makes it suitable for this research.

Georg and Fussel (2000) recommend using the interpretive approach in corporate sustainability research because it considers actors and their emotions. Furthermore, the interpretive paradigm (unlike the positivist) is thought not to be holistic, as it allows for the examination of more complicated situations, the context under which the study will be conducted, the researcher's background and the characteristics of the setting, such as the prevailing situation in the case study country (Remenyi, 1998).

CHAPTER THREE

This project follows Crotty's (1998) suggestion that a research process should have four elements: ontology, epistemology, methodology, and method. Crotty variously starts with the first or the last in his list, and works forwards or backwards. What is important is not the starting element, but that the overall package hangs together properly, and that it is recognised by the reader as valid and robust.

3.4 Ontology – a theoretical perspective

Theorists have long struggled to obtain an insight into the 'truth' around many things, and the effect it has on their daily lives. Individuals tend to care less about hypothetical underpinnings of theories and, as a result, mainly follow their instincts or common sense during decision making. Having or lacking interest in a subject may not be important, so long as one can answer the question under inquiry (Heywood and Parker, 2010). For example, most people in sub-Saharan African countries hold various traditional beliefs (Nkiko and Katamba, 2010); many of these lack substantial evidence, but they represent truth and reality nonetheless. Thus, belief can be truth to an individual, making it subjective.

However, Guba and Lincoln (2005) suggest that making connections is important in arriving at the truth. Similarly, it is a requirement to understand the epistemological and ontological basis behind any claims, and to gauge their contributions (ibid.).

Ponterotto (2005) urges that an ontological approach should answer questions relating to the form and nature of reality. Guba and Lincoln (2005) divide this world of inquiry into two spheres. On one side is the admissible sphere, with questions relating to matters of 'real' existence and 'real' action (realism); on the other are questions that fall outside of legitimate scientific inquiry, such as those concerning matters of imaginative or moral significance.

CHAPTER THREE

In this case, positivists are on the admissible side, with an argument that there is one true reality which is apprehendable, identifiable and measurable, thus a ‘real’ ontological approach known as realism or naïve realism’. Knowledge is conventionally summarised in terms of time and context-free generalisation, primarily in relation to cause-and-effect laws (Guba and Lincoln, 1998). Postpositivists also consider the world to have one true reality, although this can neither be comprehended nor measured perfectly, because of human subjectivity and the fundamentally intractable nature of the phenomena (McAuley et al., 2007; Denzin and Lincoln, 2000). Their ontological approach is labelled ‘critical realism’, because reality must be subjected to critical examination to comprehend it.

Critical theorists recognise reality as being shaped by social, political, cultural, economic, ethical, and gender values; however, the reality is virtually or historically constituted, thus the ontological name ‘historical realism’ (Guba and Lincoln 1998). Constructivists or interpretivists believe there are multiple realities, which can be attained in social, local or specific manners (while being shared among many individuals or even across cultures). Ponterotto (2005) stresses that the interpretive researcher neither attempts to unearth a single ‘truth’ from the participants, nor tries to achieve it outside of verification of his/her analysis. This leaves the reader to judge the rigor of the results based on solid description, since reality is relative and mediated by human consciousness (Morrow, 2005).

3.5 Epistemology

Denzin and Lincoln (2000) assert that epistemology is the affiliation between the ‘knower’ (participant) and the ‘would-be knower’ (the researcher). Different views on things or objects makes these items seem ‘real’ or ‘ideal’ to researchers from different paradigmatic backgrounds. Positivists and postpositivists, for example, assume that reality is independent of the researcher, participants and research topic (dualism), and by following positivist/postpositivist procedures;

CHAPTER THREE

the findings can never be biased. This epistemological choice is known as objectivism (Bryman and Bell, 2003; Guba and Lincoln 1998).

Researchers under the interpretive or critical theory paradigms – including the researcher in this project – uphold that reality is socially constructed, and thus call for active interaction between researcher and participant. Thus, the relationship between the researcher and reality is subjective (Ponterotto, 2005).

Interpretivist researchers tend to take multiple meanings of a phenomenon from participants, which will in the end avail a number of different interpretations of the data (usually voice-recorded/written). Since interpretivist researchers do not seek a single ‘truth’ from participants, this usually yields multiple interpretations by different researchers analysing the same data. This yields epistemological results (Bryman and Bell, 2011).

As an interpretive researcher in this project, some movement between approaches is inevitable. At the **ontological** level, the researcher understands multiple realities to be subjective, relative, and appreciable from a particular vantage point over time (Denzin and Lincoln, 2000). Interpretivist reality can be influenced by prior knowledge, experience, etc. (Lincoln and Guba, 1990). It therefore follows that reality can result from other factors that bring about knowledge, such as life history, beliefs, etc. Reality in this case is complex and multiple, which is the result of interaction between many factors (internal) and the environment (external), as well as the researcher and participant. At the **epistemological level**, the researcher believes that knowledge is socially constructed and subject to interpretation. The interpretive paradigm holds that the researcher and participants are always interacting, and that this interaction can never be eliminated from the research process (Easterby-Smith et al., 2002).

CHAPTER THREE

3.6 Research approach/choice

Deciding which design to use in a research project is not straightforward; it depends on whether a theory and hypotheses are designed to be tested (deductive research approach), or whether data will be collected to develop a theory after data analysis, as in this project (inductive approach).

Saunders et al. (2012) observe that it is useful to attach these approaches to the different research philosophies; deduction owes more to positivism, whereas induction is closer to interpretivism. Wiethaaus (2007) suggests that deduction entails a process in which:

theory → observations/findings

whilst in induction the connection is reversed:

observations/findings → theory.

Easterby-Smith et al. (2008) suggest that three reasons for choosing a suitable research approach are that it:

1. Helps to inform decisions about the research design.
2. Reminds the researcher what research strategies and approaches to take in answering the objectives.
3. Enables researchers, through knowledge of the different research traditions, to adapt their research design to cater for constraints.

The researcher therefore opted for the inductive approach, particularly because the research investigates whether SME/CSR practices contribute towards SD, and as such a small sample of SMEs in Uganda was available. Scholars adopting the inductive research choice are more likely to work with qualitative data, and thus use a variety of methods to collect it (ibid.).

3.6.1 Qualitative approach

The qualitative approach was chosen, with specific emphasis on narrative and life-history techniques (Musson, 1998; Marschan-Piekkari, 2004; Wiethaaus, 2007), for the following reasons:

CHAPTER THREE

1. In this project, the researcher's ontological and epistemological beliefs and qualitative methods are naturally aligned. The socially constructed nature of reality in this study, the intimate relationship between the researcher, participants and the subject matter, the situational constraints that shape inquiry, and the value-laden nature of the subject under inquiry, all align with qualitative approach (Denzin et al., 1998).
2. Qualitative methods suit the study's largely exploratory nature, which involves inductive reasoning and theory building. Qualitative methods are appropriate for research objectives that focus on studying owner-managers' involvement in CSR practices and how this involvement contributes to SD (Jenkins, 2006).
3. The qualitative approach is consistent with the subjective and socially constructed nature of the study's three main areas: CSR (Crane and Matten, 2004; Blowfield and Murray, 2008), SHE (Freeman, 2010) and SD (Fineman, 1997; Starkey et al., 2003).

3.6.2 Life-history method

The life-history method is an appropriate qualitative technique for the research project, because it allows the life stories of owner-managers' CSR involvement to be elicited. Reconstructions of participants' ethical ideologies, stories and experiences were told to the researcher via interviews, and interpreted accordingly (Etherington, 2006, cited in Kakuru and Paradza, 2007). From these life stories, a picture of how CSR practices are incorporated into the day-to-day running of the SME was understood (Leydesdorff, 1999). Musson (1998) noted that the life-history method is particularly relevant if the research question involves understanding the motivations of organisational leaders towards specific constraints.

The life-history method focuses on 'the ways in which individuals account for and theorise about their actions in the social world over time' (Musson, 1998, p.10). Hence, it is firmly rooted in an interpretive framework, and uses

CHAPTER THREE

experiences, accounts and reconstructions of participants' lives, embracing the theoretical constructions brought by the researcher's and the participants' experiences (Hagemaster, 2006).

Life-history data is mainly collected through semi-structured or unstructured interviews, whereby talk is considered data that constitutes organisational realities (Forester, 1992). Crucially, however, interviews are seen as a form of storytelling, rather than abstract generalisations (Boje, 1991).

Figure 3.2 Advantages of the life-history method

- 'Humanise' the research subject by revealing participants' history and culture (McKeown et al., 2006).
- Enables the researcher to know the participant better so as to ask relevant questions (Peacock and Holland, 1993).
- Participants have a 'recuperative role' by virtue of their relationships with their society (Frank, 2000, cited in Etherington, 2006).
- Brings the researcher into the same emotional and social space as the storyteller (Osella and Osella, 2006).
- Provides an insider's view of a society in a particular historical era (Edgerton and Langness, 1974).
- Gives freedom and flexibility for both researcher and participant (Anderson and Jack, 1991),
- Captures the complexity and dynamism of organisational contexts (Musson, 1998) such as the SME culture.

Source: Kakuru and Paradz'a (2007)

Nevertheless, the life-history method has some criticisms, especially around validity. The researcher on this project took Musson's (1998) recommendations to address the issue of validity by explicating basic assumptions and theoretical frameworks through congruence of research explanations with participants' own understandings of their subjective experiences. Hagemaster (2006) further suggests that involving participants in a repetitive process of interrogating the data's internal logic overcomes validity problems. The latter suggestion echoes the broader advice for the adoption of reflexivity, which was adopted.

CHAPTER THREE

3.6.3 Reflexivity

McLennan (1992, p.344) defines reflexivity simply as ‘increasing self-questioning’ – as the inherently self-critical aspect of post-modernism. Lafitte (1957, p.17) emphasises that ‘all learning depends on reflexive interpretation of one’s experience, together with the experience of others’. Hence, reflexivity was adopted here due to its association with interpretive qualitative research (Ellis et al., 2000). Interpretive research requires interpretation and subjective understanding of the data collected, which can yield multiple re-interpretations of material which, if taken to extremes, leads to a problem of infinite deconstruction. The reflexivity process was therefore moderated to derive useful outcomes. Alvesson and Skoldberg (2000, p.238) define this as ‘reflection [...] in conjunction with interpretation at several levels’ – i.e. data, awareness of the interpretative act, context and representation, and authority, and the interaction of these levels.

Reflexive interpretation:

Implies there are no self-evident, simple or unambiguous rules or procedures, [...] crucial ingredients are the researcher’s judgement, intuition, ability to see and point something out not only with the data but also the researcher, outside of the research role and with the reader (ibid., p.248).

The intention is for the researcher to draw sensible and useful conclusions from the data that are, within the bounds of the approach described, valid and authoritative.

Other scholars have also adopted a reflexive approach in their qualitative research (Turnbull, 2000; Mauthner and Doucet, 2003; DeSouza, 2004; Humphreys, 2005), Reflexivity was used primarily during data collection and interviewing. It involves being honest and open about how, where and by whom the data is collected, as well as participants accepting the researcher as ‘one of

CHAPTER THREE

them' in the dynamic interrelationship of the whole research process (Ryan and Golden, 2006) (see Chapter 4). Alvesson (2003, p.14) further suggests that the reflexive approach facilitates:

- Avoidance of naivety associated with a belief that 'data' simply reveals reality and;
- Creativity following from an appreciation of the potential richness of meaning in complex empirical material.

Johnson and Duberley (2000, p.178) presented two types of reflexivity: methodological and epistemic. They argued that methodological reflexivity is associated with positivism and postpositivism. Epistemic reflexivity, meanwhile, is associated with the interpretive paradigm and critical theory and attempts 'to relate research outcomes to the knowledge-constraining and constituting impact of the researchers' own beliefs from their own socio-historical location' (ibid.) – thus its adoption here to improve validity.

3.7 Data gathering

3.7.1 Research techniques

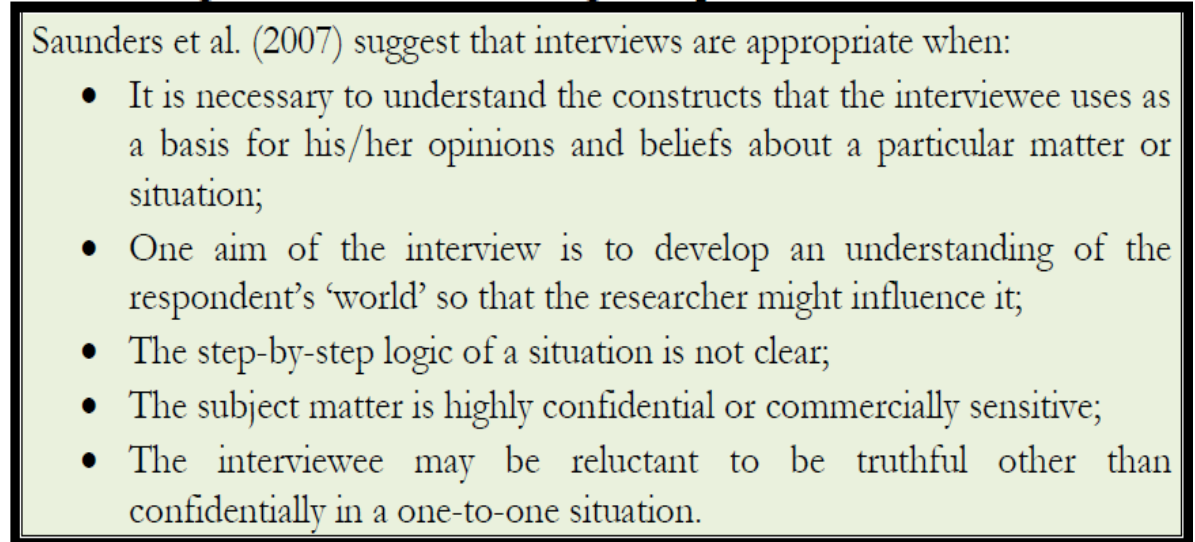
Literature suggests that semi-structured or unstructured interviews are the most often-used qualitative research techniques (Easterby-Smith et al., 2008; Musson, 1998). Others, like Kvale (1983, p.174), go further to define qualitative research as an 'interview' intended to gather descriptions of the life-world of the interviewee with respect to interpretation of the meaning of the described phenomena.

This research project primarily adopts in-depth interviews as its data-gathering technique because interviews give a rich account of the interviewee's experiences, knowledge, ideas and impressions; moreover, they are thought to give insight into aspects of lives that researchers are most interested in (Easterby-Smith et al., 2008). They are considered a better qualitative method than techniques such as focus groups, which cannot provide the same level of

CHAPTER THREE

depth (Stokes and Bergin, 2006). Thus, the interview method better suited this project compared to other qualitative methods, considering Saunders et al.'s (2007) criteria below.

Figure 3.3 Criteria for using in-depth interviews



Source: Compiled by the author.

Bourne and Jenkins (2005) also suggest that interviews are an excellent tool for extracting managers' personal values and views.

3.7.2 Types of interviews

Qu and Dumay (2011) provide additional insight based on a critical reflection of interviews as a research method, drawing upon Alvesson's (2003) earlier classification from the neopositivist, romanticist and localist perspectives (Figure 3.4).

CHAPTER THREE

Figure 3.4 Types of interviews

1. **Neopositivists** are eager to establish a context-free truth about reality by following a research protocol (tool) and getting relevant responses, minimising researcher influence and other sources of bias.
2. **Romantics** believe in establishing a human encounter, relationship, trust and commitment between interviewer and interviewee in order to explore the interviewee's inner world (meanings, ideas, feelings, intentions) or experienced social reality.
3. **Localists** emphasise that interview statements must be seen in their social context and that interviews should not be treated as tools for collecting data on something existing outside this empirical situation.

Source: Qu and Dumay (2011)

The researcher followed the romantic perspective, which emphasises interactivity with and closeness to interviewees (Alvesson, 2003). This alignment with Qu and Dumay's (2011) perspective is further supported by Saunders et al. (2012), who discourage interview techniques that allow interviewers' personal opinions. They recommend interviews that follow a conversational 'talk and listen' style to make them more honest, morally sound and reliable (ibid.). This is pertinent to this research, because it allows respondents to express personal feelings, and therefore presents a true picture that would not have been uncovered using traditional interview methods.

At an epistemological level, this implies that reality is socially constructed, and thus life-history stories created active interaction between researcher and participant (Ponterotto, 2005). Therefore, participants' 'talk' was accepted as an expression of their inner world, which is collected through interviews to create a subjective reality (Bryman and Bell, 2003).

3.7.3 Sample selection

Uganda was selected as the location for this research due to BCSDU's location and the researcher's familiarity with the country's socio-cultural context, and ease

CHAPTER THREE

of access to data and participants in the BCSDU database. Uganda as a case study allowed the 'enquiry to retain the holistic and meaningful characteristics of real-life activities' around SME owner-managers in sub-Saharan Africa (Yin, 1989, p.3). The analysis and findings, therefore, acknowledge the role played by the country's business history and culture in relation to the researcher and participants.

Interviews were conducted with 30 SME owner-managers from 30 small businesses from the five Ugandan regions (north, south, east, west and central) over three phases. All 30 SMEs were registered with UBCSD-WBCSD. Most participants were known to the researcher through various UBCSD-WBCSD sustainability management partnerships or social networks. These prior relationships are regarded by the researcher as important and positive, not only in terms of data access, but also having the required level of trust and empathy for the interviewees to share highly personal information (Thomas and Hersen, 2009). The importance of the interviewer-interviewee relationship has been stressed by, for example, Goertz (2005, p.172): 'participants will talk freely, openly, and honestly about the research topic only if they: feel comfortable and trust the interviewer, feel secure about confidentiality, believe the interviewer is interested in their story and do not feel judged'. He further stresses that: 'participants agreeing to be interviewed, doesn't mean that they are willing to talk honestly or discuss confidential details about their personal lives, if there isn't some level of trust' (ibid.).

Based on this sample selection criteria, participants in the sample in phase 2 and 3 could be viewed as the more proactive ones in terms of CSR practices and related perceptions or best CSR practicing SME owner managers than the average Ugandan SME due to their varying degrees of affiliation with BCSDU or/and the researcher on this project. Hence positivists might consider this approach biased and lacking in independence; however, as Denzin and Lincoln (2000) suggest, the interpretive tradition makes no claims as being representative,

CHAPTER THREE

capable of generalisation or neutral. Rather, as Qu and Dumay (2011) suggest, romantics emphasise human encounter, closeness, relationships, trust and commitment between interviewer and interviewee.

3.7.4 Research phases

The data was collected in three phases. In September 2007, the first phase of unstructured pilot interviews were conducted with seven SME owner-managers. Following these interviews, pilot participants gave feedback on the questions' content, flow and clarity (Reis and Judd, 2000). The pilot participants were selected at random from the WBCSD/BCSDU database. They agreed to be interviewed even though there was no prior relationship between themselves and the researcher. Interviews during this phase proved difficult, as participants found it hard to answer sensitive questions, especially on life-history stories behind their CSR engagement.

The interview data from Phase 1 was not used for any form analysis, other than in preparation for Phase 2, which was modified to a semi-structured nature, with 30 participants who are registered members of WBCSD/BCSDU, and with whom the researcher had prior relationships. This overcame the difficulties experienced during Phase 1.

In February 2008, Phase 2 was conducted. The 30 structured in-depth interviews lasted from 45 minutes to an hour each. For the researcher to gain insight into the subject area, the participants were selected from 18 sectors ranging from consultancy to retail. Goertz (2005) recommends that interviews should be conducted in stress-free environments; thus, the interviews were carried out in a number of informal locations such as pubs, and during games of golf.

CHAPTER THREE

Figure 3.5 Phase 2 interview prompt questions

1. How would describe your business? What is the number of employees?
2. What do you believe to be the meaning of the term ‘CSR’?
3. How did you become interested in CSR?
4. Who or what motivates you to stay engaged in CSR practices?
5. What have been the various types and scale of external CSR practices/activities that you and your business have engaged in throughout the years?
6. What challenges do you and your business face when trying to engage in CSR?
7. If you were to look back in your/your business’ life, what would your reflection be on how you and your business’ CSR practices contributed to SD?

Source: Compiled by the author.

Phase 3 was conducted in August 2008. This involved second interviews with nine of the 30 participants from Phase 2, and primarily served as a subjectivity, validity and scrutiny measure towards the findings in Phases 1 and 2. Some constructive criticism, feedback and recommendations was given by participants in Phase 3, which helped with the researcher’s reflexivity process. The initial findings (from Phase 2) were combined with those from Phase 3, which incorporated MDGs as a measure of SMEs’ SD contribution in Uganda. These interviews were then used to refine the analysis and overall understanding of the subject area, and the effectiveness of SHEF and CPSM.

CHAPTER THREE

Figure 3.6 Phase 3 - examples of interview prompt questions

1. With reference to SMEs' contribution towards SD, is it viable to consider the MDGs as a measure of SD?
2. Can you think of any examples of specific projects you or your business has engaged in externally that answer the call towards SD in Uganda?
3. From your personal experience, can you reflect on how SME/CSR practices have had a positive/negative impact on SD in Uganda?
4. How effective have SHEF and CPSM been to you or your organisation?

Source: Compiled by the author.

There could be an epistemological question as to whether 46 in-depth interviews in total were enough; however, it is believed that in qualitative research there are no formulas or rules to determine a sample size that will increase or decrease validity (Wiethaus, 2007). Furthermore, the life-history method tends to use fewer interviews due to the time-consuming and resource-intensive approach involved (Etherington, 2006, cited in Kakuru and Paradza, 2007). Hence, this research's epistemology and methodology is more about the quality of data than the quantity of interviews. It accounts for the researcher's relationship with participants (data collected qualitatively), and evidences rich and textured data that answers the objectives, rather than meeting statistical tests of validity.

3.7.5 Interview process

At the beginning of each interview (Phases 1-3), participants were given a half-page introductory statement about the project. They were then requested to confirm the basic demographic information held by BCSDU about them, and asked about what motivates them to engage in CSR practices.

Positivists could criticise this approach as it contradicts the researcher's epistemology (Thompson and Perry, 2004). It is uncommon for management research to employ a mixed research methodology (Brickson, 2005), although

CHAPTER THREE

Starkey (2003) encourages it in interpretive research to improve validity (i.e. ‘triangulation’). Positivist instruments were used in this case not for quantitative/statistical data analysis, but rather to introduce participants to the way in which their desire to employ CSR practices could be explored. Basically, this approach was used as a mental-setting tool (Saunders et al., 2007). The introductory statements were combined them with the interview narratives, and thus treated as qualitative data.

Participants were free to question, criticise and discuss the questions prior to the interviews, and these statements were used as an opening strategy to naturally access participants’ beliefs and desires to engage in CSR and SD. Kakuru and Paradza (2007) support this technique, suggesting that interviewees will engage more if interviewers take notes during interviews. This method is believed to bring out participants’ personal motivations towards CSR activities.

3.8 Transcribing and coding

All interviews were recorded and transcribed, which is a common approach in the life-history method wherein ‘talk is treated as data’ (Musson, 1998). Using NVivo qualitative research software, the researcher classified and arranged the data to make sense of the unstructured life-history stories.

There are two broad methodological approaches for analysing free-flowing text (Ryan and Bernard, 2000):

- Words as units of analysis, and
- Codes as units of analysis.

The researcher adopted the latter approach, because it is believed to reduce denser data such as in-depth interview transcripts into manageable themes (Jackson and Trochim, 2002). Therefore, the text of each interview transcript was coded using the inductive approach; i.e. the researcher allowed themes to emerge from reading the transcripts and not by imposing a predetermined

CHAPTER THREE

structure on the data or preconceived categorical coding for the deductive choices (Easterby-Smith et al., 2002; Wiethaus, 2007).

The only initial structure imposed on the data was aligning the interview text with the research objectives; for example, coding paragraphs according to what kind of external CSR practices existed within the SME, or what motivates/obstructs owner-manages with respect to CSR. The interview transcripts were input into the NVivo software; this involved building node titles based on the objectives and interview themes, which reflected the SMEs' CSR/SD concepts identified in the literature review. Before coding, the interview documents were formatted into themes and sub-themes so that all objectives (i.e. main question, sub-question 1, sub-question 2, etc.) were captured (Bazeley, 2007). Each transcribed interview script was then read thoroughly and coded into its relevant free nodes or tree nodes. New nodes were constructed when new issues were identified during the coding process. All tree nodes were then broken down into as many subsections as possible, and rebuilt into categories so that new conceptualisations could be explored (ibid.).

Silverman (2006) suggests several advantages of using computer-assisted analysis of qualitative data; in this case, speed and rigour were the most notable advantages of using NVivo, as opposed other programs wherein the coding of themes using large volumes of data is often a problem (ibid.).

During data collection and analysis, the researcher anticipated issues that might affect validity and reliability. These are addressed in the following section.

3.9 Validity and reliability of research, and generalisation

Participants' profiles (Appendix C) were obtained to aid further empirical data analysis (Chapter 6) (Denzin and Lincoln, 2005), which allows data to be understood in its social context (ibid) and improves external validity (Lincoln and Guba, 1985) of qualitative research. The approach is useful in developing

CHAPTER THREE

research patterns from a number of different sources, such as contextual observations (Yin, 1994) of the interviewees; inclusion of verbatim quotations to illustrate social context; inclusion of BCSDU and WBCSD's documents; and other business-related publications.

The approach allows further analysis via triangulation, which enhances research reliability and validity (Denzin and Lincoln, 2005). Research reliability and validity are further improved by analysis through: comparison between data obtained from primary sources; evaluation of secondary data sources; comparison with already existing WBCSD and BCSDU expert evaluations; and relationships with theoretical findings in the literature. This forms a basis for discussion (Chapter 6) supported by thematic review, and is another way of maintaining consistency throughout the study. For example, the approach will be useful in streamlining and benchmarking generations of patterns and further pattern matching derived from pattern coding in NVivo (next section), which forms a basis for generalisations.

This research's validity and reliability is addressed using rigour tests such as construct validity, internal validity, external validity and reliability (Yin, 2009) (Table 3.2).

CHAPTER THREE

Table 3.2 Validity and reliability approaches for four rigour tests

	Approach adopted	Point at which approach was used	Methods
Construct validity	Establishing chain of evidence	Data collection and analysis using NVivo	Keeping data and analysis in chronological and easily traceable order
	Using multiple sources of evidence	Data collection	Analysis of interviews, documentation, experts' evaluations, contextual observation
	Reviewing relationships between data and their analysis	Interviews (Phase 3) and data analysis	Draft of interview scripts available to researcher's mentor at BCSDU and supervisors, as well as Phase 3 participants
Internal validity	Triangulation	Data analysis	Comparison and converging of findings from primary and secondary data analyses
External validity	Use of rival theories within the study	Research design	Research within differentiating and/or contrary-applicable studies
Reliability	Use of study protocol	Research methodology	Consistent with the subjective and socially constructed nature of studies in CSR, SHE and SD

Source: Based on Yin (2009) and reproduced by the author.

3.10 Ethical considerations

Due to the sensitive nature of respondents' life-history stories, considerable attention is paid to confidentiality, informed consent, reciprocity and feedback of results prior to publishing (May, 2001; Worthington et al., 2006), and ethical use of all data collected. A confidentiality agreement between the researcher and the participants was signed to form part of the informed consent (Blaikie, 2000).

In this research, the concept of voluntary informed consent was employed to ensure that the interviewees freely agreed to be part of the research, and understood any potential consequences of its publication (May, 2001, p.60) (see Appendix G for a copy of the Statement of Informed Consent).

CHAPTER THREE

To avoid misinterpretation, the researcher explained the validation process to the nine Phase 3 interviewees. Each was presented with transcripts, and added any comments together with requests to provide a summary of written responses to the main research objectives and engagement models developed from the research. This follow-up process addressed the need for the researcher's reflexivity and the participants' involvement in the analysis, which improves overall validity in qualitative methods (Johnson et al., 2000; Musson, 1998).

3.11 Chapter summary

The following summary statements can be made:

- CSR and SD employ the full spectrum of research paradigms. While they tend to be dominated by positivism, there is a strong tradition of interpretive approaches in both concepts.
- The research is located on the interpretive end of the spectrum. With the researcher's essentially relativist ontological beliefs, and epistemological assumptions based on subjectivity, it is believed that it is neither desirable nor possible for any researcher to achieve detached, context-free objectivity around the subject area in this research.
- The research methodology adopts a qualitative approach, drawing on the life-history and in-depth interview techniques. Such qualitative methods are ideally suited to the research, which is exploratory in nature and seeks to gain context-rich insights into the personal experiences and perceptions of participants regarding CSR drivers.
- The validity and authenticity of the findings are enhanced by a reflexive, phased, inductive analysis approach, which included soliciting participants' input on their own interview transcripts.

The research method is subject to pragmatic, rather than paradigmatic, limitations. The research methodology is consistent with the philosophical assumptions that underlie the researcher's interpretive ontological and

CHAPTER THREE

epistemological position. However, various practical limitations (time, resources and data access) have had an inevitable moderating effect.

CHAPTER FOUR

CHAPTER 4: DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter introduces data from the interview profiles of the 30 participating SME owner-managers in this project. The profiles (Appendix C) are presented in a narrative context, where ‘talk’ is transcribed as the data on which this chapter is based.

Chapter objectives

1. Introduce the participants’ profiles and their understanding of the CSR terminology.
2. Employ interview data to illustrate what motivates participating owner-managers to engage with CSR.
3. Use interview data to present the external SME/CSR practices that participants engage with.
4. Summarise findings to be discussed in the next chapter.

This chapter provides an overview of the participants’ life histories, and how this shapes their understanding of and involvement with CSR practices within their SMEs. It presents participants as units of analysis; structured breakdowns of the interview analyses; and a summary of findings.

The preliminary results were presented and discussed at the 7th International Conference on Corporate Social Responsibility in 2008.

4.2 Overview of participants

Each profile (Appendix C) details a brief insight of the participant’s job title, number of employees and business (Table 4.1), as well their life-history stories and relationships with the researcher. Real names were not used, in order to preserve participants’ confidentiality throughout this research project.

CHAPTER FOUR

Table 4.1 List of participants

Participants	Job title	Business type	Employees	Business sector
Abby	Managing Director	Law consultancy firm	23	Consultancy
Adam	Principal and Director	Business training college	39	Education
Badal	Managing Director	Farming business	48	Agriculture, horticulture & fisheries
Bernard	Director	Arts gallery business	4	Creative & media
Chris	Executive Director	Internet cafe	79	Information, communication & technology
Olivia	Managing Director	Bookshop	16	Education
Dick	Business Owner	Acid batteries manufacturing company	66	Environment
Eli	Business Owner	Hotel	23	Leisure & tourism
Fazil	Director	Cotton farming business	57	Agriculture, horticulture & fisheries
Florence	Owner and Senior Consultant	Consultancy firm	15	Consultancy
Francis	Director	Chemical Small Factory	11	Chemical
George	Managing Director	Recruitment agency firm	14	Consultancy
Hudson	CEO	Construction firm	92	Construction
Maggie	Proprietor	Bee farming business	29	Agriculture, horticulture & fisheries
John	Director & Sustainability Manager	Fish processing firm	27	Agriculture, horticulture & fisheries
Kenneth	Proprietor	Nightclub	43	Leisure & tourism
Kumar	Director	Air conditioning solutions firm	88	Manufacturing
Lawrence	Owner and Senior Consultant	Consultancy firm	13	Consultancy
Richard	Managing Director	Furniture store	12	Household, furniture & furnishings
Lynn	Owner Manager	Pharmacy business	47	Biotechnology & pharmaceuticals
Masudi	Director	Automotive garage	9	Automotive
Max	CEO	Radio station	97	Creative & media
Raymond	Business Owner	Coffee growing firm	5	Agriculture, horticulture & fisheries
Restituta	Director	Fashion retail outlet	36	Clothing & fashion
Robert	Managing Director	Construction firm	76	Construction
Roger	Director	Organic growing firm	14	Agriculture, horticulture & fisheries
Ronnie	Business Development Director	Food and restaurant business	21	Food & drinks
Sam	Business Director	Sportswear shop	27	Retail
Smith	Business Owner	Teaching material firm	25	Education
Vivian	CEO	Rural microfinance bank	49	Financial services

Source: Compiled by the author.

The common characteristics amongst participating owner-managers, which the researcher holds constant for a precise understanding of the interviewees, include:

- The SME owner-manager is the business – their image and behaviour is perceived as that of the firm.
- Most SMEs in the sample are family businesses, which have lasted generations.

CHAPTER FOUR

- The SME owner-managers and their families are mainly embedded in the same community; thus, SMEs are community establishments.
- Most of the SME staff are extended-family members.
- Most participating SMEs are based in rural areas, at the first or second level of the supply chain.

The research data was collected in three phases (Chapter 3). Interview data from Phase 1 was not used, other than to gain experience in preparation for Phase 2. Seven, thirty and nine participants were interviewed during Phases 1, 2 and 3 respectively (Table 4.2).

Table 4.2 Profile of Participants: Categories of SMEs in the research

SME category	PHASE 1	PHASE 2	PHASE 3
Micro (1–10 employees)	1	3	1
Small (11–50 employees)	6	17	6
Medium (51–100 employees)	0	10	2
TOTAL	7	30	9

Source: Compiled by the author.

Note: The numbers used throughout this chapter show the frequencies of SME owner-managers under the chosen categorisation, and this should not be mistaken to have any statistical or quantitative research significance.

The 30 participants in Phase 2 are owner-managers from a wide range of sectors (Table 4.3). There was a slight over-representation of SMEs operating in agriculture, horticulture and fisheries, as 45% of businesses in Uganda are agriculturally oriented (AFDB, 2005). Unsurprisingly, the consultancy sector is well-represented because of the researcher's connection with this field.

CHAPTER FOUR

Table 4.3 Sampled SMEs by sector

Sectors	SMEs in Phase 2
Agriculture, horticulture and fisheries	6
Automotive	1
Biotechnology and pharmaceuticals	1
Chemicals	1
Clothes, footwear and fashion	1
Construction	2
Consultancy	4
Creative and media	2
Education	2
Environment	1
Financial services	1
Food and drink	1
Healthcare and medical	1
Households goods, furniture and furnishings	1
Information telecommunication technology	1
Leisure and tourism	2
Manufacturing	1
Retail	1
Total	30

Source: Compiled by the author.

Participants can be further categorised under the ‘sustainability’ umbrella term, although this did not prevent the use of other titles, such as ‘director’, ‘executive’ or ‘boss’ (Table 4.4), which reflect the ‘ownership’ and ‘power’ of these participants within their businesses.

Table 4.4 Profile of participants: level of SME owner-titles

Title	Phase 1	Phase 2	Phase3
Boss	1	3	1
Director	2	12	3
General Manager	2	5	2
Sustainability Manager	1	2	0
Senior Consultant	1	2	1
Chief Executive Officer	0	6	2
TOTAL	7	30	9

Source: Compiled by the author.

CHAPTER FOUR

The participants' prior good relationship with the researcher facilitated open and honest feedback during and after the interviews. The interviewees included professional associates, friends, extended-family members and professional networks of the researcher (Table 4.5).

Table 4.5 Participants' relationship with the researcher

Relationship with the researcher	Phase 2	Phase3
Professional associates	9	4
Social friends	6	2
Family members	2	2
Professional networks	13	1
TOTAL	30	9

Source: Compiled by the author.

The other variant of participants in this study is gender (Table 4.6). In Uganda, 87% of business units are SMEs, of which 61% are owned by men (AFDB, 2005; AFDB/OECD, 2005). Although an attempt was made to find a more even sample, the final numbers are heavily skewed toward male owners (5:2; 23:7 and 7:2 across the three phases). Nevertheless, this does not mean that CSR is a male-dominated field in Uganda. In some SMEs, especially those employing 20 or more staff, female owner-managers do engage with CSR. It will be interesting to find out whether the size of the business is a motive for CSR, especially amongst female owner-managers.

Table 4.6 Participants' gender

Gender	PHASE 1	PHASE 2	PHASE 3
Male	5	23	7
Female	2	7	2
TOTAL	7	30	9

Source: Compiled by the author.

CHAPTER FOUR

It was vital to see whether owner-managers' professional backgrounds contributed to their ability to understand the CSR agenda. Table 4.7 illustrates their educational and professional backgrounds.

Table 4.7 Educational background

Participants	Law	Physiology	Consultancy	Business management	Agriculture and environment	Medicine	Mechanics	Chef	Finance	Art & fashion	Teaching
Abby	1										
Adam											1
Badal		1									
Bernard										1	
Chris			1								
Olivia				1							
Dick					1						
Eli				1							
Fazil					1						
Florence			1								
Winnie					1						
George			1								
Hudson					1						
Maggie					1						
John					1						
Kenneth				1							
Kumar					1						
Lawrence			1								
Richard					1						
Lynn						1					
Masudi							1				
Max				1							
Raymond					1						
Restituta										1	
Robert											1
Roger					1						
Ronnie								1			
Sam											1
Smith			1								
Vivian									1		
TOTAL	1	1	5	4	10	1	1	1	1	2	3

Source: Compiled by the author.

Because the agricultural sector dominates the Ugandan economy (AFDB, 2005), it is no surprise that the majority of owner-managers have an agricultural and environmental background. Most participants have a college diploma. It will be interesting to see whether business owners with a higher educational background, especially in CSR-related studies, perform better, or understand the CSR concept more, than those with less or no academic background.

CHAPTER FOUR

Table 4.8 presents the owner-managers' higher education levels in comparison with their business managerial experiences.

Table 4.8 Participants' further education and business managerial experience

Participants	Additional studies			Business managerial experiences		
	Management Professional Qualification	Masters	PhD	Less than 5 yrs	5-10 yrs	More than 10yrs
Abby					1	
Adam				1		
Badal		1			1	
Bob				1		
Chris				1		
Olivia			1		1	
Dick		1		1		
Eli						1
Fazil						1
Florence	1				1	
Winnie						1
George				1		
Hudson		1			1	
Maggie					1	
John						1
Kenneth	1			1		
Kumar		1		1		
Lawrence						1
Richard						1
Lynn		1			1	
Masudi						1
Max		1		1		
Raymond						1
Restituta					1	
Robert		1				1
Roger						1
Ronnie						1
Sam					1	
Smith				1		
Vivian		1			1	
TOTAL	2	8	1	9	10	11

Source: Compiled by the author.

Only nine participants have higher academic qualifications than a college or university degree. Similarly, only two owner-managers have undertaken professional courses in business and management. This represents an opportunity for colleges and universities in Uganda to start up CSR and/or sustainability short courses, and higher-level qualifications targeting the businesses world.

Despite limited higher academic levels, the majority of owner-managers (21) have at least five years' managerial experience. Several (11) started their

CHAPTER FOUR

managerial careers at an early age, and have been running family businesses that have been going for many generations; therefore, it is unsurprising that they have so much managerial experience. However, during the interviews it was seen that more business managerial experience does not necessarily equate to CSR knowledge or understanding.

The only immediate observation made during the interviews was that owner-managers with international experience or exposure had prior knowledge or CSR experience (Table 4.9). Participants with international experience include owner-managers who have studied, worked and/or lived abroad, especially in the Western world.

Table 4.9 International and CSR experience

Participants	International experience		CSR experiences		
	Yes	No	Less than 5 yrs	5-10 yrs	More than 10 yrs
Abby		1	1		
Adam	1			1	
Badal	1			1	
Bob		1	1		
Chris	1				1
Dick		1	1		
Eli		1	1		
Fazil	1			1	
Florence	1			1	
George	1			1	
Hudson		1		1	
John		1	1		
Kenneth		1		1	
Kumar	1				1
Lawrence		1	1		
Lynn	1				
Maggie		1	1		
Masudi		1			1
Max	1			1	
Olivia	1			1	
Raymond		1			1
Restituta					1
Richard		1			1
Robert		1			1
Roger		1			1
Ronnie		1			1
Sam		1		1	
Smith		1	1		
Vivian	1			1	
Winnie	1				1
TOTAL	13	17	8	12	10

Source: Compiled by the author.

CHAPTER FOUR

During the interviews, owner-managers with international experience demonstrated an understanding of CSR, despite differences in its interpretation. Incidentally, almost all owner-managers with international experience related CSR to a ‘business’ commitment, in terms of meeting the needs of wider stakeholders (see Chapter 7). Later in this chapter, international experience will be seen as an extrinsic CSR driver for owner-managers.

A more detailed analysis of CSR practices and participants’ drivers towards CSR engagement is presented in the following sections.

4.3 Data analysis

The interviewees generated a wide range of views on the definition of the CSR terminology, drivers and practices.

4.3.1 CSR definition

Participants were asked what CSR meant to them personally; their responses are presented in this section, and will extend into a discussion in Chapter 6.

A number of terms such as ‘social and environmental accounting’, ‘SD’ and ‘triple-bottom-line’ (TBL) were used synonymously with CSR (see Table 4.10) by interviewees. John stated: ‘I have come across a number of definitions which are diverse from my original CSR understanding’. For some owner-managers, terms like ‘corporate responsibility’, ‘corporate citizenship’, ‘ethics’, ‘TBL’ and ‘environmental and social stewardship’ were used analogously with CSR. Others, like Lawrence, thought that: ‘CSR thrives under a different unknown jargon and with different approaches in most developing countries’.

CHAPTER FOUR

Table 4.10 understanding of CSR terminology

Participants	CSR understanding and owner managers' interpretations ("CSR is...")
Abby	...a business' proactive interaction with key stakeholders in providing practises that improve people's livelihood and protect the environment.
Adam	...the social insinuation of business behaviours and the level of responsibility that those businesses bear while making a contribution to the communities they operate in.
Badal	...the giving back to society by an organisation and cementing the bond of that organisation to society through demonstrating care to society and the environment.
Bob	...the running of a profitable business which takes into account all the positive environmental, social and economic consequences towards society.
Chris	...the business' responsibility to society to improve economic and environmental aspects of sustainable communities.
Olivia	...a business doing the right thing by taking into account all the social, economic and environmental impacts that business practices have in the long term.
Dick	...the management of those business activities that have a wider impact and development on the society it operates in.
Eli	...business' accountability for the economic, social and environmental welfare of their internal and external stakeholders.
Fazil	...the businesses' environmental and social commitment to its staff, society [and] the sustainable growth of the company.
Florence	...the businesses' responsibility beyond what is legally required to make a positive impact on society and the environment while engaging with their stakeholders.
Winnie	...the business' responsibility to all stakeholders to operate in an honest, fair and ethical manner while protecting the environment.
George	...businesses having a positive impact on employees, customers, local communities and the environment.
Hudson	...businesses' being accountable not only for their financial gain, but also for the environmental impact of their activities on society.
Maggie	...awareness of companies to the social, economic and environmental needs of the communities in which they operate and the implementation of projects designed to alleviate or meet some of those needs.
John	...businesses' obligation to pay taxes while obeying the law.
Kenneth	...considering all stakeholders while making business decisions and giving back to society for the wellbeing of the people and communities.
Kumar	...businesses' activities towards society and environment in consideration of the present and future.
Lawrence	... about how ethical these firms are internally [towards staff] and externally [environment and the supply chain].
Richard	...the achievement of success in ways that honour ethical values while respecting society and the environment.
Lynn	...the combination of social, environmental, and economic thoughts into the business' decision-making structures.
Masudi	...a notion which encourages businesses to consider society's interests by having a positive responsibility for all stakeholders and the environment.
Max	...ethical behaviour of a firm towards the total welfare of society by integrating the economic, social and environmental voluntary activities in the business operations.
Raymond	...everyone's responsibility to look after one another in our communities, staff and the environment.
Restituta	...the ways we treat people equally, sharing the little we have with the community and how businesspeople protect the environment.
Robert	...an opportunity rather than a cost, whereby businesses lay a strategy of meeting the sustainable societal, environmental and economic goals.
Roger	...running a business in a mode that meets or exceeds the ethical, legal, commercial and public expectations however up to the international organic standards.
Ronnie	...working with employees, their families, the local community and the society at large so as to improve their quality of life and protect environment we live in.
Sam	...the voluntary social, economic and environmental activities that my business engages in within the community.
Smith	...a quantitative reporting of a business' economic, environmental and social performance.
Vivian	...a continuing commitment by businesses to contribute to economic development by improving the quality of lives in communities where they operate.

Source: Compiled by the author.

CHAPTER FOUR

Most participants used themes such as ‘fair and equitable’, ‘responsible’, ‘accountable’, ‘ethical’, ‘developmental’, and ‘doing the right thing’, among others. The majority used moral and ethical arguments to define CSR; these are based on the principle of ‘doing the right thing’ for a better society.

Doing the right thing

A number of participants acknowledged CSR as a ‘noble’ or ‘pure’ approach for their business (Mintzberg, 1983). For some, CSR is a ‘natural’ practice simply because it is the right thing to do. The ‘poignant theme’ of the ‘right thing to do’ and others ‘commitment’, ‘encouragement’, and ‘honesty’ were often used by some participants to define CSR. Olivia, for example, understands CSR as ‘doing the right thing’ by considering businesses’ long-term social, economic and environmental impacts:

‘MAD leads to M² [Making A Difference leads to Making Money], where MAD is the “right thing to do” for all’.

Paying back to society

Many participants related CSR to the ‘common sense’ of giving back to society. Hudson, for example, perceives it as the ‘common sense of helping those in need’. Interestingly, some saw ‘giving back’ as an optimistic way of looking at businesses’ operations in communities. Badel describes CSR as ‘giving back to society by an organisation’. Similarly, Kenneth relates CSR to SHE, by defining it as the involvement and consideration of: ‘all stakeholders while making business decisions and giving back to society’. This theme was largely associated with philanthropic CSR, as it involves charitable donations within the community.

Accountability and responsibility

CSR, for some, is about making businesses more accountable to and responsible for their stakeholders. All owner-managers aligned their understanding of CSR to their responsibilities to stakeholders. Incidentally, the majority employ 10–50

CHAPTER FOUR

employees. Chris, for example, expresses his CSR understanding as: ‘the business’ responsibility to society’, while Florence believes that CSR is a business responsibility to all stakeholders. Societies/communities are an integral part of such ‘small’ SME operations. Even family businesses that are embedded in local communities believe they are expected show a certain degree of responsibility to local issues.

All participants expressed CSR in terms of accountability to stakeholders. This understanding arises as a result of stakeholder activism. Majority of participants felt that is no longer acceptable for their businesses to simply ‘comply’ with regulations without being accountable (Unerman and O’Dwyer, 2006). Thus, some owner-managers relate CSR to the business’ accountability for the economic, social and environmental welfare of stakeholders. Hudson suggests that CSR makes ‘businesses accountable not only for their financial gain, but also the environmental impact of their activities on society’.

Impact and development

‘Impact’ and ‘development’ were the most-used themes, with 28 of the 30 participants using at least one of these terms while describing CSR. Several participants were optimistic, believing that because their businesses are naturally embedded in the communities in which they operate, they have a responsibility to ‘develop’ these communities.

Many regarded their businesses as SD advocates. For example, George believes that CSR is all about businesses having an impact on stakeholders like employees, customers, local communities and the environment. Stakeholders live and work in the businesses’ environment, and that is why some participants, such as Dick, believe CSR is significant to development, and is the ‘management of the business activities that have a wider impact [...] on the society it operates in’.

CHAPTER FOUR

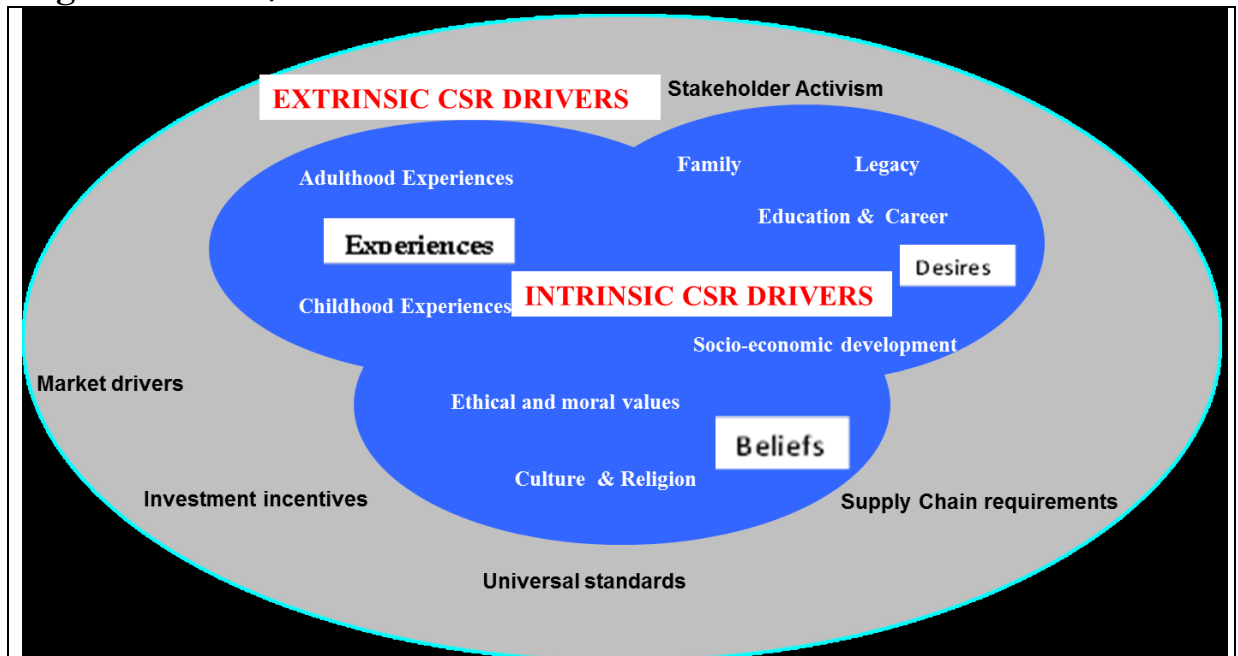
Some participants identified CSR terminology as new and difficult to define. Raymond, for example, said: ‘[I] am not sure of the term CSR when it comes to SMEs’. Similarly, Florence thought that the ‘majority of SMEs have not yet “branded” their practices as CSR, although many are getting to grips with it through consultancies or [BCSDU] helping them out’

Overall differences in CSR understandings may be attributed to the fact that individuals are motivated to engage in CSR by different attributes.

4.4 SME/CSR drivers

Figure 5.2 presents raw data from interviews categorised into intrinsic and extrinsic CSR drivers. Data was coded into themes so as to make sense of owner-managers’ motives towards CSR, and these form a basis for the analysis in Chapter 6.

Figure 4.1 SME/CSR Drivers



Source: Compiled by the author.

***The diagrams in this chapter (Figure 4.1 and 4.2) are used for data presentational purposes and provide a foundation for analysis in the following chapters.*

CHAPTER FOUR

4.4.1 Intrinsic CSR motives

The themes are further sub-coded into experiences, desires and beliefs.

- **Experiences** are particular instances in the owner-managers' lives.
- **Desires** include wanting, wishing or longing for something.
- **Beliefs** encompass things that bring satisfaction or enjoyment to owner-managers.

4.4.1.1 Experiences

Some owner-managers' approaches to CSR in this study were found to be influenced by past experiences.

- Childhood experiences
- Adulthood experiences

Childhood experiences

Some participants' childhood experiences influenced them to engage in CSR practices. Abby's story, for example – 'my mum threw me in a dustbin whilst a toddler' – had an impact on the way she perceives others. Such experiences may have a direct influence on individual decisions. Abby confirmed: 'I will never forget my childhood experience as it drives me'. Olivia's failure to join university due to inadequate study materials inspires her to engage in CSR. She recalls: 'It was only teachers using textbooks, with students having to take notes during classes'. This experience motivated her to help children in the community.

Others ascribe the experience of growing up in absolute poverty to making a difference in other people's lives. Sam's in-access normal school life is exemplary: 'other children used to play games they learnt from school which put me out of the day's playing time'. Sam considers his childhood an inspiration for the external CSR activities he engages with, especially the voluntary work he does for children in need: 'Nothing comes easy when a child is without parents, and that's why I try to engage more with orphans and street children'.

CHAPTER FOUR

For Hudson, it is the experience to provide emergency aid and home reconstructions in flood-hit neighbourhoods that motivates his business' provision of apprenticeships to community students: 'In many ways, this was my best reward because that experience turned out to be my career'

Contrastingly, Kenneth's wealthy background influenced his engagement with society: 'The moment I understood that all the riches were my father's and not mine, my attitude about life and other people changed [...] I imagine how life is for those in need, and that in itself drives me to make a difference in this world'.

Adulthood experiences

These were other type of experiences motivating owner-managers towards CSR engagement. Restituta, for instance, attributes her CSR engagement to being HIV positive. She explains: 'I decided to find ways of living a positive life as well as helping other women who are living a similar life [to] mine'. Similarly, Sam traces his CSR engagement to another disturbing experience: 'I was diagnosed with diabetes that led to an erectile dysfunction. I am unable to have my own children [...] I think this made me treasure children [so] I try to work towards their happiness'. Such experiences strengthen individuals, which is a motivator in itself.

Fazil's experience in another country generated his value for other people: 'I realised how difficult it was for people working long hours in factories because I went through a similar experience while back in India working in the textile factory [...] This, in a way, taught me to value other people'. For George, it is his 15-year battle with drugs and alcohol that inspired him to 'give people a second chance'. On the other hand, Ronnie's life experience is his motivator: 'I became obese due to my bad eating habits and having no proper advice on its consequences [...] When I look at parents taking their children to fast food restaurants, I feel like I should tell them my story'.

CHAPTER FOUR

Some Catastrophic incidents were the other adulthood CSR drivers identified by owner managers. In Ben's case, a tragic accident that befell his best friend, Emmanuel, during his youth is his principal driver towards socially responsible activities: 'I started up an "Emmanuel Foundation" in his memory which creates a greater awareness [...] of road signs for all road users'.

Similarly, Eli's wife and three children died when their hideout was bombed during the 1979 war. Eli maintains his family's legacy through helping orphans and protecting marine life: 'My wife was a people-person; she helped orphans [...] Our two daughters loved marine life'.

Similarly, Lynn traces her CSR motivation from a very emotional story: 'I lost my father, mother, sister and two brothers to HIV/AIDS within 17 months'. She had no immediate family while growing up, and now engages with orphans because she knows 'very well the hardships of being an orphan'.

4.4.1.2 Desires

Four sub-themes identified from interviews relating to owner-managers' desires include:

- Family/idols
- Legacy
- Education and career
- Socio-economic development

Family/idols

Some owner-managers mentioned individuals they admire (idols) and emulate. Some were family members, for example Kenneth explained: '15 years ago, I never noticed that street children were eating [...] waste, but this all changed by dad's endless bids to take them off the streets'.

Roger's current ideas of solving global problems were influenced by his father teaching him:

CHAPTER FOUR

‘One great concept he called “1+3=5”, emphasising that when solving a global challenges, the outcome should always be greater than its actual intent’.

Equally, Restituta ascribes her passion for female empowerment to her mother being: ‘a very hard working woman, who tries to help family members as well as others in the community, especially women’.

Teachers, too, are inspirational figures for some owner-managers. For example, Robert’s head teacher: ‘Mr Ssali waived the school regulations against employing students and offered me a part-time job [...] CSR must [similarly add] value [to] people’s lives’.

Equally, Masudi’s father is his greatest inspiration: ‘We grew up seeing the “Old Man” getting involved in a number of activities within the community [...] I had to continue his legacy’. Lynn traces her CSR engagement from a similar rationale, this time from her husband who happens to be an orphan and doctor just like her: ‘My husband has been very accommodative with all those ambiguous ideas concerning orphans and community development...’ For others, the extended family influences their desire to help others – for instance, Adam is inspired by his uncle’s drive to help others.

Legacy

Florence wishes to save the planet for her grandchildren: ‘When I retire, I will look into my grandchildren’s eyes and say to them that I made a difference’. Equally, Max wants people to remember him as: ‘a man who cared about others’.

Richard traces his engagement with CSR to witnessing a number of people making a positive impact in other people’s lives: ‘Being part of history drives me to get involved in a number of activities’. Similarly, Olivia is inspired by contributions of iconic figures such as former South African president Nelson Mandela, and Dr Martin Luther King. A few other participants are influenced by

CHAPTER FOUR

a desire to promote other people's legacies. This is a common driver amongst family business owners who inherit 'business or cultural values' to be passed on through generations. For Fazil, 'most of the practices that we are involved in are due to a legacy left behind by my grandparents'.

Career and education

Careers in this context are sequences and varieties of occupations, paid or unpaid, which owner-managers undertake throughout their lifetime.

Most often, owner-managers traced their motivation to dissatisfaction with previous jobs. For instance, John has worked in over five sectors: 'In all these jobs, I never had to make decisions on my own and mostly these were "just jobs" to earn a living and not "career jobs" to gain personal satisfaction'. John explains his desire to conserve marine life: 'I have always been a great fan of marine life, mainly fish [...] this augmented my passion for protecting depleting stocks of traditional white fish by investing in a model business processing plant'.

Similarly, Florence's 28 years in consultancy motivated her to offer free consultancy sessions on local radio. Lawrence, likewise, recalls his volunteer position for a local charity as a Fundraising Officer: 'I realised that small businesses did not have anyone to contact with management issues such as how to incorporate CSR in their operations and that's why I am helping out'.

Maggie's story shows a fairly direct link between career influence and her current engagement with communities in the war-torn locality of northern Uganda: 'I quit my well-paying job and went back home [to Northern Uganda] and started mobilising local bee farmers into an association'. Maggie cherishes her new career path as her motivation in making a difference in people's lives: 'I love my job and it is my motivation'.

CHAPTER FOUR

Education produced an expected trigger to later involvement in CSR practices. Of the 30 participants, 16 have academic qualifications. Most often, owner-managers have taken sustainability modules, from which they trace their CSR motivation. For example, Businesses in Societies was one of Lawrence's modules at university. He relates his engagement with CSR activities to the knowledge and skills attained from the module. He learnt that: 'businesses struggle to survive without a good relationship with societies where they operate'.

Equally, Vivian's finance and business management knowledge from a university in the UK inspired her to start up a rural microfinance facility to combat inequality and poverty. She explains that:

The world has two extremes – one with people living on less than two dollars (\$) a day [in the developing world], and the other with its citizens choosing to go without food or sleep on streets, yet all essential needs are readily provided by the government.

In other examples, the lack of education hindered participants' engagement with CSR. For instance, Masudi identified lack of education and awareness as an obstacle to engage in sustainability: 'Had I gone to college or university, I believe this business would be engaging with CSR practices formally'. Education is regarded as a major driver towards CSR engagement, especially by participants who never had a chance to learn about it in school.

Socio-economic development drivers

Some owner-managers revealed that they desire to help others to overcome persistent developmental issues by sharing knowledge and skills gained through experience, education or time spent abroad. Max says: '[I wanted] to play an active role in the development of my country by emulating what I had learnt from America'.

CHAPTER FOUR

Smith's desires follow a similar rationale. He concurs that differences in problems between the 'North-South' divide are influential in his CSR engagement, attributing it to his understanding that children in Uganda are deprived of normal classroom routines due to traditional teaching methods and equipment.

Making a difference

Other SME owner-managers are motivated by a desire to make a difference at an individual, organisational and societal level. Vivian says:

Because there are a lot of Ugandans living in poverty, my business can grow whilst working [with them]; of course we are not exploiting them but as a business we get a small profit while working [to help] them out of poverty.

Max is also driven by the desire to make a difference. He argues that:

CSR is about creating opportunities for those in need, then work[ing] with them towards a common goal, and not the current philanthropic behaviour of giving money to corrupt individuals or institutions [...] this is my motivation of working together to make a difference in people's lives.

Crisis and emergency response

For some owner-managers, responding to crises and disasters such as health epidemics and wars motivates them towards CSR engagement. For instance, Francis' desire for crisis response is linked to the time he collected contributions on behalf of a company he worked for whilst in exile: 'Children were abducted, raped and killed in Sudan and northern Uganda [...] There was a crisis response from governments and NGOs, thus a few businesses, including the company I worked for, [had] its staff donat[e] money to the cause'.

CHAPTER FOUR

A few other participants associate their desire to respond to crisis with their feelings towards people in crisis. For example, Ben states: ‘There is always someone who is in a situation that is not his/her own making [...] and my natural instinct is to support them’.

Government gaps

Some SME owner-managers expressed their frustration with the Ugandan government’s failure to implement CSR. However, others have been inspired by such incompetency to fill the gaps. For example, Maggie explains: ‘Our government has done very little to eradicate poverty in the northern region so I have always felt that it is up to me and many other entrepreneurs to create poverty eradication schemes’.

Restituta makes an interesting recommendation: ‘Most people, and indeed small business owners, feel that [CSR] practices are a government responsibility. Yet the Ugandan government has shown little or no interest, therefore, it is everyone’s responsibility to help’.

4.4.1.3 Beliefs

Often, individuals have to believe in a desire for success to emerge.

- Ethical and moral values
- Cultural values
- Religious traditions

Ethical and moral values

Owner-managers described their engagement with CSR as a matter of personal ethics and moral thought. George’s Second Chance Scheme exemplifies his belief in giving individuals another opportunity. He remembers an ex-offender who went through his scheme giving him ‘a bottle of wine as a thank-you to staff for giving her a second chance [...] I have a moral responsibility to many people like her and this is why I am in this job’.

CHAPTER FOUR

Other beliefs were associated with the participants' upbringings. For example, Maggie never looked at other children's differences: 'It's this kind of attitude and respect for other people that I have grown up with; treating everyone equal[ly]'. For Restituta, solving societal problems is her driver: 'It gives me great personal moral satisfaction when problems in society are solved'.

Some participants were unable to explain why they engage in CSR, saying that they simply find themselves engaged in such activities. For example, Adam perceives himself as morally motivated towards CSR practices: 'I just find myself engaged in most of those activities [...] the moral responsibility holds more meaning than the strategic motive'. He also stated that: 'For every shilling [Ugandan currency] that I put towards CSR practices, the benefits are worth 15 times that. I may not get direct returns today but a positive contribution to the people in this community is priceless'.

Intrinsic moral case for CSR

Some owner-managers in the study are motivated to engage with CSR for reasons of guilt or conscience. Personal satisfaction is immeasurable, as suggested by Abby:

CSR creates individual benefits to us [owners] that are in line with [our] values and morals. However, these are neither quantifiable nor visible [...] they are just salvaging one's conscience more than anything [...] now and again I feel that by being part of societal development, I am helping myself.

A few other participants attributed their business' engagement with CSR to personal success stories, for example, Lynn's account about a 16-year-old girl she met on the street, who said: 'Thank you Mum for all you have done in my life and many others; you are the reason why I am still living'. Lynn says: 'Talk about

CHAPTER FOUR

businesses making millions in profits [...] the way I felt that day is unexplainable and that's why I still engage with these activities'.

Personal satisfaction is relative; for Maggie, it is about local bee farmers having a stable income to be able to provide for their families, whereas Max's motivation differs slightly. He says: 'It is very rewarding to hear people calling into the [radio show] with words of appreciation for the work we do in the community, and to me this is the business' case for CSR'.

The 'right thing to do'

Some interviewees engage with CSR as a way of being consistent with society's fundamental moral values. Chris explains that people 'engage with CSR activities just because we value it to be the right thing [to] do'. Florence acknowledges the ongoing debate on what constitutes 'the right thing' when it comes to CSR: 'Everyone has his/her [own] interpretation of what is right or wrong [...] I would love to say that engaging in CSR is the right thing, although this may be subjective'.

Under a similar belief, Dick emphasises that every business should appreciate its community, environment and staff, simply because it is the right thing to do: 'Society has helped me build a successful business. Thus, it is my turn to give back to society directly and indirectly by protecting the environment for future generations to [...] live in'.

Culture

There was a strong link between culture and CSR engagement in the study. Raymond's story exemplifies how communalism (a cultural belief) influences him to believe in sharing. He recalls a situation in which a local coffee grower was unable to raise a substantial amount of money from his produce to sustain his family, and all members contributed towards the shortfall: 'This was very satisfactory [for] everyone because we all knew what was happening with the

CHAPTER FOUR

other's harvest'. Robert too recalls that: 'Community was family [...]. Everyone was responsible for one another, for example, misbehaving children would be punished by any elder within the community'.

Vivian discovered how different cultures influence people's beliefs. She recalls Christmas in the UK as a time that brings close family, such as spouses and children, together, whereas in Uganda, it is family, relatives and friends [everyone]. Vivian realised that: 'I am related to everyone in the community, so I need to help them if any of them have a problem'. Equally, Kumar believes that: 'When one is in a crisis, so is everyone in that community'.

Similarly Raymond belief is aligned to community welfare groups in Uganda. He remembers the '*Muno Mukabi*' Group [a community welfare group] assisting anyone in the community during [the] burial of their loved ones'. This kind of unity during times of joy or sorrow means that every activity is to the benefit of the whole community.

Religion

Some owner-managers, like Ben, believe that religion is the basis of CSR in Uganda: 'We are Catholics and my father used to pay "*endobolo*" [tithe – one-tenth of his annual income to the parish church in support of its work and clergymen]. I consider this to be the foundation of CSR amongst many Ugandans'.

Masudi is a devoted Muslim, and his family donates clothes to the poor. They also served *iftar* dinners (evening meal for breaking the daily fast during Ramadan) to all those who prayed with the family during Ramadan (holy Islamic month of fasting). Similarly, Kumar recalls his family's staunch Christian faith as a motivation towards CSR engagement: 'After Sunday church services, the community would gather in the church hall to make donations to poor families'.

CHAPTER FOUR

For Badel, it is the Hindu religious teaching ‘to give is to receive’ that influences his CSR commitment. He explains his belief in Dhramada and karma:

[Hindus] believe in reincarnation such that if one is suffering in this life, it is because of bad Karma built up in a previous life and we also believe that the less unfortunate people of today may have been your brother, sister, or loved one in a previous life.

Max takes his inspiration from the bible, and believes those in need is God’s will. He recites Mark 10:17-27: ‘Good teacher, what must I do to inherit eternal life? And Jesus said to him to go, sell all he had and give to the poor, and you will have treasure in heaven’. Lynn also believes that her socially responsible drive ‘comes from the inner belief of commitment which [Christians] make during the seven sacraments’.

There was a common trend in all profiles, whereby various participants mentioned drivers external to their experiences, beliefs and desires. Several participants mentioned stakeholder activism and BCSDU’s influence in identifying their drivers towards CSR (see Chapter 5). For purposes of exhibiting the researcher’s contribution to practice and data presentation, this influence is presented and explained in chapter 5; however, this chapter presents these drivers hereby as extrinsic CSR drivers.

4.4.2 Extrinsic CSR drivers

The interviewees’ responses suggested that extrinsic drivers are mainly a result of stakeholder pressure or/and demands (Chapter 5 and Chapter 6).

- Globalisation drivers
- Market CSR drivers
- Social drivers

4.4.2.1 Globalisation drivers

CHAPTER FOUR

Certain practices required for international trade are new to SMEs. Most of these were identified during Stakeholder Engagement Boards (SEBs) (discussed in Chapter 5), for example, supply chain requirements.

Supply chain requirements

These were pre-conditions for tendering in supply chains, or as a variable to be considered in the purchasing decision. For many owner-managers, globalisation is an opportunity to access new markets to increase sales. However, in order to do so, they have to fulfil certain requirements. Kenneth explains: ‘There are general requirements for all those within the supply chain to show that they are equally ethical’. Buyers (usually large businesses or MNCs) in the supply chain have continually asked suppliers (mainly SMEs) to provide evidence of practices they claim to be engaged in. As George noted: ‘Recruitment agencies have lost contracts because of unclear CSR policies in place’.

Lawrence found that the majority of buyers do business with responsible firms that will not ‘dent’ their reputation: ‘If you say that you recycle office papers, then those you supply to may want to know or see evidence of that’.

There were a few cases where local companies’ partnerships with foreign businesses instigated the implementation of CSR policies and procedures. For example, Sam’s Japanese business shareholdings motivate him to engage with CSR locally: ‘I want my businesses here to operate under similar approaches, codes of conduct and standards [as] those I see in the West or even in Asia’. Others wish to supplement what MNCs and large business have started. Kenneth says:

The “Coca-Colas” of this world are building schools, therefore SMEs like us should join them in implementing their initiatives, such as working with parents in encouraging children to attend classes.

CHAPTER FOUR

Some SMEs are being asked by SEBs to collectively adhere to a self-regulatory ethical codes of conduct. For example, Lawrence's SEB asked him to organise training workshops for other SMEs on sustainability reporting. Similarly, Smith's board recommended the adaptation of TBL reporting on the business' website.

Universal standards

Some owner-managers are driven by international legislation and regulatory bodies to engage with CSR. Smith says: 'In Canada, TBL is a legal business requirement, unlike in Uganda where such practices are purely voluntary [...] I have to promote these international standards because my stakeholder boards demands [them]'.

Few participants related their business' subscription to BCSDU's ethical code of conduct, which is in line with the UN Global Compact code of practice, to their engagement with CSR. Some also said that the new GRI implementation agreement with BCSDU, which requires them to adhere to stakeholders' demands, is another major influence towards CSR engagement. Therefore, SME owner-managers in this study find themselves implementing new CSR codes as a result of their international stakeholder collaborations.

For other minority, globalisation is an opportunity to gain competitive advantage in international markets; thus, they have to satisfy ethical requirements in foreign countries they wish to trade in. Badal believes that: 'New international markets have always driven [SMEs] to embed CSR'.

For many, CSR is a strategic approach to increasing sales or profitability in new markets. Max maintains that his radio station's engagement with the community has increased international listenership. Some choose to continue with CSR practises because of its potential to act as a PR medium in entering new markets. For instance, CSR practises were essential for Kenneth's music business entering Europe and the USA.

CHAPTER FOUR

4.4.2.2 Market CSR drivers

Stakeholders such as customers are the other major CSR driver. Some interviewees said that stakeholders in Uganda organise boycotts for unethical goods, or ensure that large companies pay a fair price to their suppliers (SMEs). For example, Fazil said that ‘consumer groups such as Codex Alimentarius Fair-trade Foundation and the Uganda Consumers’ Protection Association (UCPA) demand SMEs to be very ethical’. This pressure has resulted in more customers in Uganda responding to the rest of the world’s demand for ethical products. The young generation has also recognised the importance of CSR activities. This is manifested in Adam’s account of when students at his college pushed him towards implementing CSR practices.

Investors too are interested in firms that contribute to their communities. Abby recalls a foreign investor who wanted to register his business in Uganda asking ‘whether my firm is committed to the community in any way’.

4.4.2.3 Social CSR drivers

Several participants related their CSR engagement to social drivers which they felt emerged from SEBs.

- NGO
- Media
- Advocacy groups
- Local business networks

NGOs

Due to the increasing assistance NGOs give to SMEs, some managers think that the SME sector is the ‘leader’ in terms of development. Ben thinks that big changes have been adopted by Ugandan SMEs, which were previously evident only in large businesses, and that this comes ‘thanks to the work of the many NGOs’. Roger acknowledges NGOs such as Export Promotion of Organic

CHAPTER FOUR

Products from Africa (EPOPA) to have played a significant role in raising CSR awareness, as well as incorporating ethical measures within the supply chain.

Owner-managers in this study identified BCSDU and WBCSD as drivers towards their CSR engagement. John says: ‘WBCSD demands [...] businesses to engage in communal, developmental and environmental effects, [which] have brought me up-to-date with the notion’.

Media

Media and advocacy groups have encouraged some owner-managers to engage with CSR, through transfer of knowledge and information on CSR benefits and corporate malpractice. The media report on good and bad practices. Raymond’s story on how inspirational Dr Samson Kiseka’s (former Ugandan vice-president) radio broadcast was reflects the media’s CSR motivating power. Additionally, Dick believes that the media crisis campaign on ‘a child dying of malaria every 30 seconds in Africa’ has been a driver towards SME’s involvement in the fight against malaria.

Government pressures

There was a divide between participants on whether the government has played a part in their CSR engagement. What is clear is that governmental involvement in CSR is indirect, although this did not hinder certain participants from recognising it as a driver. For example, Olivia says: ‘There [are] always government calls [...] on everyone to have a social, economic and environmental responsibility’. The government’s indirect approach to CSR is also reflected in Adam’s case, in which he relates to the education system as a replica of that in South Africa, where the government and students are demanding that CSR becomes part of the curriculum.

Nevertheless, minority of participants were disappointed by a perceived lack of pressure from central government to stimulate CSR in organisations. Owner-

CHAPTER FOUR

managers like Abby call on the government to join the business sector in enforcing CSR: '[The] Ugandan government should come up with legislation for businesses to be more accountable for their economic, social and environmental effects'.

Despite the government's lack of CSR involvement, some owner-managers have been driven by this negative government response to fill the gaps. Owner-managers become aware of community initiatives that stakeholders need through their SEBs. For example, Hudson's construction company built the 'AXAL breakfast centre' as a result of the Board's recommendation.

Investment incentives

Some owner-managers acknowledged that they engage with CSR in the search for a return on their investment. Some interviewees indicated that their engagement with CSR relates to expectations of gains ranging from cost savings; licence to operate; building and protecting reputation; learning and innovation with respect to staff attraction and retention; enhanced risk management and revenue.

Reputation, staff retention and revenue increase were the most-cited CSR benefits. In fact, 28 out of the 30 participants considered their engagement with CSR to have enhanced their business image and reputation. For example, the lawyers at Abby's firm are known as "community lawyers" because of the free legal advice services we offer to local small businesspeople, and this motivates me [even] more'. Owner-managers also recognised staff acquisition and retention as a motivation for their CSR engagement. Some managers, like Lynn, believe that businesses with strong CSR staff involvement will attract and retain a quality workforce.

Profitability increase was another common driver associated with CSR and business performance. Nearly all interviewees observed an increase in customers,

CHAPTER FOUR

turnover or profit as a result of their CSR commitment. Owner-managers also mentioned risk management and innovation as CSR engagement benefits. Robert's good relationship with different stakeholders has reduced management risks, and Lawrence's business has had 'service innovations through community development, health and education gained from our social involvement, plus environmental innovation which comes from the consultancy's eco-friendly activities'.

However, more than half of the participants believed that it was unrealistic to credit their business' success to just one operation. Dick, for example, thinks his business has had turnover and profit increases, however: 'it's unrealistic to credit these gains [to] one initiative; we have other operations such as marketing, research and development and advertising'.

Participants also explained some of the CSR activities they are engaged with, which were coded with headers in the following section.

4.5 CSR practices

Figure 4.2 represents the sub-themes extracted from the interviews (raw data), coded into philanthropic and strategic CSR practices. These form a basis for discussion in Chapter 6.

CHAPTER FOUR

Figure 4.2 SME/CSR Practices



Source: Compiled by the author.

4.5.1 Philanthropy

Philanthropy was the single most common practice amongst participating owner-managers. This kind of CSR practice was mainly found to take the form of ‘cash giving’, donations and/or local community sponsorships towards those in need financially.

Charitable donations

Donations, gifts and offerings as a way of engaging with communities is rooted in African Traditional Society (ATS) and have existed through generations to the present owner-managers. Similarly, religious beliefs (presented as a CSR driver) have influenced the donations, gifts and offerings given by owner-managers like Ben, Masudi and Badal, respectively. Most owner-managers said that giving charitable donations is the ‘right thing’ in terms of helping one another within the community.

Several owner-managers have created donation partnerships with local charities. For example, Ronnie’s restaurant donates the day’s unsold food to a local charity that feeds the homeless.

CHAPTER FOUR

Cash donations are the other common CSR practice amongst SMEs in this study. For instance, Abby, Smith and Kenneth donate a portion of their profits to orphanages, and Sam gives a 25% discount to all students and schools that shop at his sports complex.

Sponsorship programmes

Others bridged the social and economic community gap to improve quality of life by sponsoring local leisure and sports activities. Interviewees like Max, Kenneth and Sam sponsor local sports tournaments, whereas Hudson and Richard donate sports equipment to local schools and community teams.

In addition, owner-managers engage in community development practices such as the improvement of local infrastructure. Such activities bridge the gap between local communities and urban cities where markets, schools, medical facilities, and jobs are situated. As Dick explains, his business ‘contributed financially to the DANIDA Rural Roads Programme (RRP), which restores growth and rural incomes by addressing inequality and improving access to markets and new technologies’. Likewise, Eli and Max have contributed financially towards the construction of local roads.

Employment and welfare schemes

Some owner-managers engage in activities that focus on current issues, such as unskilled labour, which may affect their businesses in the long term. More than half of the owner-managers revealed that they recruit the majority of their staff from local communities and engage in programmes aimed at the development of entrepreneurial skills. For example, Restituta’s fashion business makes cash donations towards vocational training of prostitutes, whilst Masudi pays his staff extra to train homeless children in motor engineering.

CHAPTER FOUR

Others provide work placements to unemployed youths, or those who have been out of work for a long time. These are in form of apprenticeships, internships and rehabilitation, through which local individuals gain employment skills and experience, as well as an opportunity for self-development. Abby and Masudi, for example, offers placements and apprenticeships to students respectively, whereas Robert employs students on a part-time basis.

Education and training activities

Community development efforts through social integration, education, awareness and healthcare were also dominant CSR practices. Despite being unplanned and one-off in nature, such practices were mentioned by nearly all participants as one of the ways through which they engage with communities. For example, owner-managers mentioned societal educational training provision as one of their community engagement practices. Ronnie's restaurant organises workshops for primary school children to raise awareness of bad eating habits and obesity, whilst Olivia's bookshop funds a public library, and organises reading workshops for young people. It was stressed by a few participants that unskilled staff is one of the reasons why businesses fail. Olivia believes one can never go wrong by educating the community from which employees come.

Scholarship programmes for students are also offered by some owner-managers. Olivia and Kenneth offer annual scholarships to female students joining university. Similarly, Masudi sponsors employees to acquire Public Service Vehicle (PSV) driving licences.

Maggie and Smith concentrate on sponsoring training programmes for teachers (Train the Trainer) well as Smith, Adam, Eli and Florence provide educational programmes to community leaders, and HIV/AIDS awareness training to farmers, with the aim that those trained will share their knowledge with others in the community.

CHAPTER FOUR

Maggie and Smith's CSR sponsorship activities were similar. They concentrate on sponsoring training programmes for teachers, which they translate as 'Train the Trainer'. Smith, Adam, Eli and Florence provide educational programmes to community leaders, and HIV/AIDS awareness training to farmers, with the aim that those trained will share their knowledge with others in the community. Away from education, but with a similar rationale, Ronnie sponsors the 'Healthy First Programme' in conjunction with the local health club aimed at mothers who they believe teach a healthy lifestyle to the whole family.

Health and wellbeing activities

A number of participants sponsor or make donations towards HIV and malaria awareness programmes, since these are considered the two most deadly diseases in sub-Saharan Africa (Laufer and Plowe, 2007). Eli donates a portion of his annual profits towards fighting malaria, while Maggie, Masudi and Lawrence donate malaria tablets and vaccination medicines; nets; condoms; repellents, etc.

Some SMEs also are involved in community joint ventures or partnerships with other local institutions in fighting diseases. For example, Max runs radio programmes which address prevention of vector diseases, hygiene for mothers, and sex education and HIV/AIDS awareness programmes for children.

Such activities were coded as strategic practices where they had mainly been demanded at SEBs (See Chapter 5).

4.5.2 Strategic philanthropic practices

Most interviewees referred to strategic philanthropic practices as new but sustainable. Hudson explains that they generally solve problems affecting development, such as the environment, corruption, human rights, and women empowerment, as well as maintaining a sustainable business. Another view, however, suggests that strategic CSR practices are a marketing tool and medium

CHAPTER FOUR

to enter new markets. Sports sponsorships and donations, for example, are considered a marketing tool or business investment by Hudson, who genuinely believes he is involved in strategic CSR, although he feels that the community benefits more from his engagement with such philanthropic practices. Strategic CSR practices were, however, found to be diverse, ranging from creating environmental protection awareness to fighting corruption in society.

5.3.5.1 Environmental protection awareness

More than half of the owner-managers are involved in environmental protection awareness practices. They engage in educational projects and schemes targeting business partners, customers or society regarding environmental problems in communities. For example, Florence and local children, parents, teachers and staff are involved in the Sunday Environmental Awareness Group, in which they collect recyclable material discarded on the streets. Florence says: ‘To implement changes in society, one has to begin with children and their teachers to educate everyone else, and ... [SEB]’. Likewise, Eli’s Catch them Young project involves organising day-trips for children to lakes to learn about marine life over-exertions, and their effects on the environment.

Other owner-managers create environmental awareness directly. For example, Kumar associates with the National Environment Management Authority (NEMA) to provide greener air conditioners to all government hospitals. Similarly, Hudson makes the local community aware of his innovative, environmentally friendly buildings: ‘Stakeholders have asked us to allow the community to visit our sites so they become aware of the latest environmentally friendly technology and sustainable construction methods’. Max believes that the media plays a pivotal role in educating the masses on the environment. His radio station runs the Our Environment Programme, which educates the public about dangers the environment faces, and how to act on them.

CHAPTER FOUR

Reduction in energy consumption

Some owner-managers were adamant that they engage with such practices purely for environmental concerns and in fulfilment of stakeholder demands. Abby and George, for instance, engage in energy-saving practices like the use of low-wattage energy-saving light bulbs, switching off unwanted lights and electronic appliances, sticking to low-energy IT equipment and ecological cooling systems, etc. George explains: '[Following] stakeholder demands, I now engage in these simple and cost-saving practices, which are also good for the environment in the long run'.

Recycling, re-use and alternative means

Various owner-managers contribute towards the development of a 'recycling-based' society. Encouragingly, some participants feel that waste management and recycling practices are simple routines for any businesses. For example, Lawrence explains: 'We collaborate with [Company Y], which collects confidential documents generated by other offices and businesses within our supply chain, [and] compresses them into bales [to recycle]. Such collaboration[s] were agreed by the SEB'. Smith, on the other hand, relates the benefits of recycling to both businesses and the environment:

Our products are recycled from grain sacks, plastic containers and jerry cans, etc. [...] this way, we are protecting the environment as well as creating awareness of the values of recycling to all stakeholders in the community and of course [being] able to run the business.

Another practice amongst participating owner-managers, mainly in the leisure and tourism sector, is the promotion of the 're-use' phenomenon to save energy. Eli's hotel introduced a policy which encourages guests (stakeholders) to be more responsible to the environment by reusing towels and bed sheets if staying more than one night; George and Vivian donate unwanted office materials to charities and local schools libraries respectively.

CHAPTER FOUR

Tree planting and forest reservation

Some participants also focus on preserving and protecting nature and cultural heritage. These activities involve philanthropic cash donations to organisations engaged in environmental conservation, or even SMEs getting directly involved in such activities. For example, Raymond donates 15% of his business' profits to local environmental schemes, while Richard '[protects] the ecology by giving out quality seedlings for trees [...] that grow fast, instead of the natural rain forest trees [...] the [SEB] made this recommendation'.

Others, like Olivia, create environmental protection awareness by providing information about tree planting and forest conservation projects. Equally, Roger creates awareness amongst local farmers regarding the environmental values of cultural landscapes, biodiversity, and reduction of soil erosion, plus efficient use of resources in reducing pollution.

Water harvesting practices

Also in relation to the environment, stakeholders are demanding businesses to engage in water harvesting practices. As Chris explains, the message from stakeholders is that such activities are aimed at providing safe and clean drinking water; irrigation water; increased groundwater recharge; reduced storm-water discharge, urban floods and overloading of sewage treatment plants; and reduced seawater ingress in coastal areas. In response, owner-managers were found to engage in practices such as building and maintaining dams, percolation ponds, boreholes and water tanks in their communities. Chris' café, for example, provides water security to businesses and the community: 'Water is vital to businesses, making it fundamental in the fulfilment of [SD]'.

Other interviewees are engaged in creating awareness for safe and clean drinking water. Smith developed an advocacy poster and logo for water and sanitation issues for communities, whilst Fazil has led campaigns on permission to build new boreholes and dig new wells.

CHAPTER FOUR

4.3.5.2 Supply chain practices

Some interviewees stated that buyers (usually MNCs) impose certain ethical requirements on export-focused SMEs within the supply chain. For example, Roger explained that SMEs' products and services are expected to be of the highest quality, so as to maintain stable trading relationships with buyers and final customers.

Some participants learnt from SEBs that stakeholders require ethical practices in areas such as advertising. Consequently, Kenneth now contracts small local winemakers as the only suppliers to his nightclub. He maintains that such a practice provides sustainable income to a number of families in his local community.

Another market-oriented CSR practice is the tradition of working closely with business partners to reduce complexity and costs, thus increasing the quality of production. This kind of practice was found to be most common amongst participants in the agricultural sector. Ray, for instance, provides small farmers with intensive machinery such as tractors to use during and after their harvest session. Ray says that 'small and simple' practices 'improve production quantity and quality as well as reducing [...] lead time [and meeting] stakeholder demands'.

Some within the consultancy sector engage in practices that create awareness and promote CSR. Florence, for example, offers 'free consultancy to SME[s] on how to embed CSR practices in their firms or any business related problems they face'.

A few interviewees support local business alliances. For example, Smith creates promotional materials and communication strategies to educate farmers on the benefits of the warehouse receipts system, which helps farmers get good prices

CHAPTER FOUR

for their produce, in addition to using warehouse receipts as collateral for short-term loans.

4.3.5.3 Equality and diversity practises

Human rights practices

A few participants are responding to increasing pressure from stakeholders to incorporate certain human rights practices into their businesses – for instance, CSR practices directed towards the elimination of forced and compulsory or child labour. Richard is involved in child labour awareness schemes, and Max runs a radio programme called Know your Rights, geared towards employers and employees.

Equality and women empowerment

Some owner-managers identified practices embracing gender equality in communities. Fazil and Roger financially support women's groups, while Restituta donates hairdryers and sewing machines to prostitutes to enable them to start their own small businesses.

Sponsorship programmes aimed at the provision of equal opportunities are also common. Ronnie, for example, sponsors women and children in his Healthy First Programme at the local health club. Similarly, Vivian, Fazil, and Kenneth offer scholarships to female students in the community.

Anticorruption practices

Some participating owner-managers engage in CSR practices aimed at the abolition of extortion and bribery, which they hope can improve international perception of the country, (Uganda ranks as the 130th most corrupt nation in the world (Transparency International, 2009)). For example, Smith, Florence and Lawrence have adopted transparency practices such as sustainability reporting and 'publish what you pay' (disclosing financial flows to and from the government). Smith maintained: 'I normally put the previous year's TBL reports

CHAPTER FOUR

on the business' website', while Lawrence and Florence help other SMEs to prepare basic CSR and sustainability reports.

Additionally, some few participants are working towards the discontinuation of typical philanthropic behaviour of charitable donations, which they consider to promote corruption. Owner-managers such as Vivian and Robert have instead adapted collaborative working with community beneficiaries in their Customer Rural Innovations and Community Fixer projects, respectively.

Moral responsibility practices

Some owner-managers maintained that they are morally and socially responsible to those in communities in which they operate. They contribute towards everyone's social economic welfare by offering low-interest loans and guaranteeing fair prices for farmers in the community. Raymond and Fazil, for example, revealed that they buy harvested coffee and cotton, respectively, at above market price.

Farmers in communities where there is one buyer monopolising trade are most likely to be exploited (Devereux, 2005). However, certain participants such as Badel maintain that SEBs scrutinise any unfair customer treatment, and says that SME owner-managers should be responsible buyers. Vivian's bank offers 'low interest loans to local small businesses and individuals, and works with them by offering professional advice on business improvement strategies'.

Others felt that they are being morally and socially responsible simply by paying wages and taxes to employees or/and the government. Masudi, Fazil, Rob and Ronnie maintain that they voluntarily recruit from their local community, as well as negotiating wages with their employees.

CHAPTER FOUR

Partnerships and volunteering

A few minority participants allow staff to share professional skills directly for good causes, such as working with and/or training project beneficiaries. For example, Rob's Community Fixer Project aims at 'giving back directly to those communities by transforming people's lives'. The project involves hiring and training homeless, jobless, alcohol- and drug-addicted members of the community to work on construction sites.

Consultants such as Florence and Max also voluntarily offer professional time and advice to local clients who cannot afford consultancy charges. Florence says: 'This is one way I give back to society.'

4.4 Summary of research data presented

Based on the above data, the following can be deduced to answer the chapter's objectives.

- The data offers an overview of participants' understandings of CSR, and their CSR motives and practices.
- Participants are primarily motivated towards CSR by some kind of egoism or self-interest, which is presented as personal experiences, desires and beliefs.
- Owner-managers are motivated towards CSR by extrinsic drivers, in addition to intrinsic ones.
- The majority of SME/CSR activities are closely linked to the community, mainly in the form of philanthropy.
- Stakeholder activism is outlined by owners as an influence for strategic philanthropic practices.

The next chapter presents the researcher's practical contribution to this study by examining how stakeholder activism affects CSR activities engaged in by BCSDU-registered SMEs, some of which are participants in this study.

CHAPTER FIVE

CHAPTER 5: STAKEHOLDER ENGAGEMENT IN PRACTICE

'[CSR] may be viewed as a process in which managers take responsibility for identifying and accommodating the interests of those affected by the organisation's actions.' (MacLagan, 1998, p.147)

5.1 Introduction

This chapter supplements the raw data presented in Chapter 4 with the researcher's contribution to practice. The researcher's involvement in enhancing participants' and other (BCSDU-registered) SMEs' engagement with CSR is presented. Through the researcher's practical contribution, a co-productive mechanism of identifying and engaging with CSR activities demanded by stakeholders (research objective in Chapter 1), is examined. Participants' traditional CSR activities (Chapter 4) are open to scrutiny by stakeholders, highlighting the need for SMEs to play a more active role in ways they engage and do business with stakeholders.

Chapter objectives

1. Present a short background to the traditional SHE model amongst participants in the research.
2. Present the researcher's stakeholder engagement framework (SHEF) for identifying, engaging with and responding to SHNs.
3. Conclude with lessons of good practice from the researcher's experience in adopting the SHEF.

5.2 BCSDU's engagement with SMEs – background

Empirical data (Chapter 4) presents the owner-manager as traditionally self-driven in engaging with predominantly philanthropic activities. Philanthropy amongst participating business owners serves as an 'agent' for maintaining personal values, image and satisfaction, and is driven by individual experiences, desires and beliefs (discussed further in Chapter 6). Engagement was previously informal in a one-to-one or 'tell-listen' relationship with only close stakeholders (Freeman 1984; 1999; Donaldson and Preston, 1995; Jawahar and McLaughlin, 2001). This became the socially accepted norm for many SMEs and communities.

CHAPTER FIVE

As with Freeman's (1984) stakeholder theory, this sort of 'tell-listen' engagement hypothetically represents stakeholders as 'objects' that are technically measurable, predicatable and, ultimately, with needs that are easily manageable. Owner-managers in this sense may be viewed as 'computers' with the ability to informally standardise processes, predict outcomes, and control internal and external relationships in isolation of those (stakeholders) decisions affect. However, in today's climate and markets, such mechanistic and 'one-man' thinking is no longer accepted by wider stakeholders.

As evidenced by some owner-managers in Chapter 4, stakeholders can control what, how and when products are produced, therefore taking some control of the market. Stakeholders such as customers began to demand changes in the ways businesses engaged with society through different measures such as organised boycotts and demonstrations. For instance Vivian (small bank owner) explains that customers demanded goods that improve the quality of lives, as opposed to luxury products and services deemed acceptable by her (owner-manager). Pressure was put on business owners to be more responsible to their communities, as opposed to personal values. Stakeholders also demanded businesses to direct philanthropic donations towards societal, economic and environmental challenges. The whole ethos of market-shared control or making demands for alternative business-working methods was new to most SME owner-managers in the region. Thus, management of such a drastic changes became a problem.

5.3 Stakeholder activism – the problem for owner-managers

Large corporations normally hire consultancy firms to predict or determine stakeholder expectations. This and the wide resource of professional managers and financial resources tend to give them the edge in maintaining a competitive advantage over SMEs (Jones and Tilley, 2003). Most large businesses have internal staff with the expertise, as well as the capacity, to find out what, exactly,

CHAPTER FIVE

stakeholders expect of them. On the other hand, this is a dilemma for SMEs who do not have the same financial ability or expertise. For example, Kumar's customers ignored or boycotted goods and services because they felt his business was not a true representation of the community, and was not loyal to local customers. Kumar found it hard to identify what customers (stakeholders) wanted, and why his products (air conditioners) were being rejected.

According to Taylor (2003), there is an opportunity in every problem; here the opportunity fell to BCSDU/WBCSD. WBCSD had a long-standing obligation for BCSDU to engage with SMEs, which have long been labelled a 'hard-to-reach' stakeholder group. However, in most cases, they are actually just an 'easy-to-ignore' stakeholder group. If businesses are to cope effectively with SHNs and relationships, they need a collaborative or partnership engagement mechanism with stakeholders working towards a common goal (Andriof and Waddock, 2002). The BCSDU's SME-Sustainability project (Chapter 1) optimised the situation by effectively supporting SMEs in ways to identify SHNs.

5.4 BCSDU's SME-Sustainability project – stakeholder dialogue

BCSDU's aims in its engagement with SMEs was two-fold. Firstly, SMEs would be able to co-produce a mechanism through which they could get to know, understand and effect SHNs to remain competitive. Secondly, BCSDU's requirement to introduce the sustainability agenda to SMEs, and a regional network's route to achieve SME membership as required by WBCSD, would be met. To this end, BCSDU adopted a working course of action with selected SMEs in Uganda to secure the 'right to be heard' for stakeholders, and obliging owners to respond to SHNs. This mechanism was aimed at increasing owner-managers' knowledge, and the legitimacy and value of stakeholders and the impact they have on SME performance.

CHAPTER FIVE

BCSDU's SME-Sustainability project created sustainability awareness amongst local SMEs through conferences, workshops, public speeches, and focus groups, mostly run by the researcher on this project. This meant a shift to promote not only business entities' social, economic and environmental responsibilities, but also their owners', thus re-enforcing Miller's (2004) thought that people, not businesses, have social responsibilities.

It became identified during the initial workshops that the main barriers to behavioural change for owner-managers to implement economic, environmental and social practices in their businesses were a lack of understanding of the impact of CSR practices, on both the community and their businesses; conventional thinking that their businesses were too small (in terms of finance, time and expertise); and above all a lack of awareness towards stakeholders' demands and expectations. A strategic plan was agreed with registered owner-managers to work in partnership with BCSDU in overcoming these barriers. Owner managers were sign-posted to other initiatives for support deemed important for them.

Throughout the workshops, the benefits of stakeholder dialogues were explained, and dialogues through SEB meetings wherein owners engaged with stakeholders were recommended to owner-managers. However, it was emphasised that it is impossible for stakeholders to be involved in every decision, and that not every stakeholder demand/need can be met. The underlying concepts of SEB meetings were outlined as 'collaboration', 'partnership' and 'co-production'. These three notions call for stakeholders and SMEs to work together to identify and solve community needs.

Initially, 35 SMEs from 12 sectors signed a co-production proposal to work with BCSDU's SME-Sustainability project through the SME-SHE framework. The framework identified how SHNs could be identified and responded to.

CHAPTER FIVE

5.5 The BCSDU stakeholder engagement framework

The researcher adapted Stakeholder Engagement Standard AA1000SES in accordance with WBCSD's capacity-building programme to devise the BCSDU stakeholder engagement framework (SHEF). WBCSD's capacity-building programme manages changes toward SD through stakeholder dialogue, education and training, learning by sharing and scenarios. The BCSDU's SHEF is an open-source framework for planning, implementing, engaging, assessing, communicating and assuring quality stakeholder dialogue. This differs from traditional SHE thinking (Freeman, 1984), wherein business owners address issues that satisfy personal or business values; BCSDU's framework advocates engagement in integral CSR activities. The framework therefore describes broader, 'inclusive' and continuous progress between owner-managers and stakeholders. As a pilot, the researcher applied the framework to BCSDU stakeholders such as staff, WBCSD suppliers and buyers. This helped to identify important BCSDU challenges to feed back to the WBCSD stakeholder panel that in Geneva.

BCSDU's SHEF allows SMEs to respond to stakeholder challenges. In today's market, where stakeholders have greater autonomy, BCSDU's SHEF becomes a superior alternative to Freeman's (1984) traditional stakeholder mode of engagement. BCSDU's framework is based on a 'co-production' philosophy, wherein the SME works with stakeholders to identify needs that are central to the whole community.

The framework is based on the underlying operational principles of:

- Inclusivity – stakeholders are recognised, understood and involved.
- Integrity – engagement is conducted in ways that foster mutual respect and trust.
- Collaboration – stakeholders and owner-managers work together for mutually beneficial outcomes.

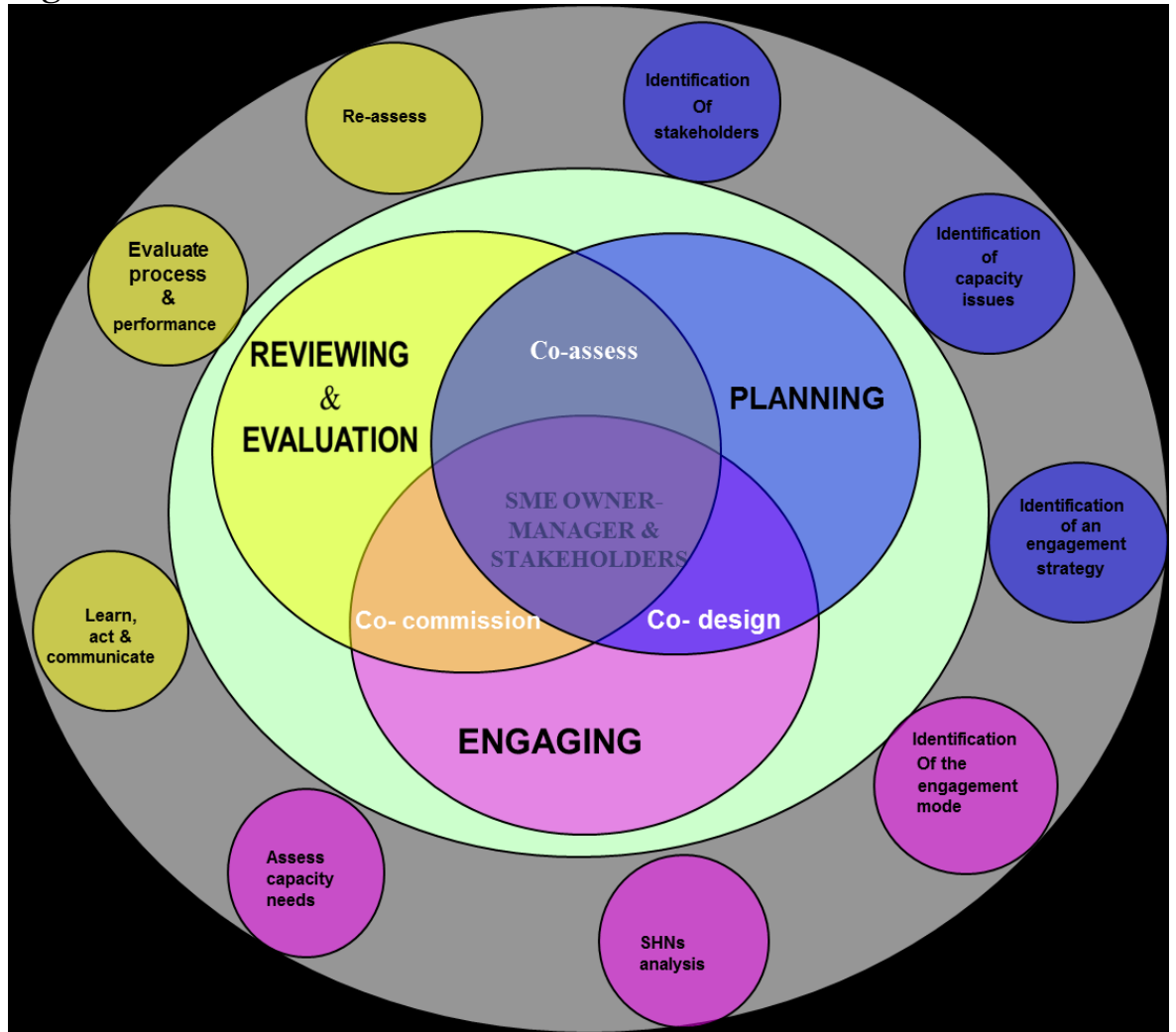
CHAPTER FIVE

- Transparency – there is a clear and agreed information and feedback process.
- Communication – listening and talking are open and effective.

The principle of ‘inclusivity’ empowers stakeholders with the right and opportunity to be heard, and owner-managers have to accept the obligation to involve them in aspects of their businesses. The commitment to ‘inclusivity’ is governed by three principles – co-design, co-commission and co-assessment (see Figure 5.1) – which are guidelines to owner-managers on how to comprehensively engage with stakeholders. For example, ‘co-design’ requires owner-managers to understand stakeholders’ and the business’ material concerns; ‘co-commission’ requires understanding SHNs, while ‘co-assessment’ requires delivery and ongoing reviews of logical responses to SHNs. These three principles are the basis for a successful SHEF, as illustrated in Figure 5.1.

CHAPTER FIVE

Figure 5.1 SME-SHEF



Source: Compiled by the author.

The researcher worked with BCSDU-registered SMEs to identify, respond to and measure SHNs throughout the SHEF during the three main stages of planning, engaging and reviewing (Figure 5.1). During one-to-one sessions with BCSDU-registered owner-managers, the framework's step-by-step process was explained. Each of the three principles (co-design, co-commission and co-assessment) are integral sections between planning, engaging and reviewing. For example, effective planning and engagement depends on co-design; engaging, reviewing and evaluation depends on co-commission; and reviewing, evaluation and planning depends on co-assessment. This means that owner-managers have to consider their business resource capacities whilst following the framework, in order to meet stakeholders' needs. The stages differed from one business to another according to the context of the engagement.

CHAPTER FIVE

5.5.1 Planning

Stage one: identifying stakeholders

Rigid identification of the exact persons who qualify as stakeholders is often misunderstood (Buchholz and Rosenthal, 2005), and thus the researcher worked with owner-managers to develop a methodology for identifying and mapping their business stakeholders. Owner-managers must understand that the customary circles of stakeholders have changed and expanded; thus, they need to engage with everyone – even previously ignored, unknown and voiceless stakeholders – in all aspects of their businesses. The groundwork was based on who the internal and external stakeholders are, and the level at which they affect or would be affected by the business, thus establishing the level of relationship between the two parties. The owner-managers presented the existing local networks which they engaged with, and the level at which this happened.

Stakeholder identification was guided by the following criteria:

- Reliance in the local community – local stakeholders consistently engaging with the SME (e.g. customers, employees, business partners).
- Representation – stakeholders that represent others through regulations, customs, or culture (e.g. NGOs, unions, activists).
- Responsibility – stakeholders having, now or in the future, legal, financial and operational responsibilities in the form of regulations, contracts, policies or codes of practice (e.g. employees, local authorities, banks).
- Power – stakeholders with decision-making power (e.g. local authorities, joint-shareholders, pressure groups).
- Supply chain – stakeholders within the supply chain (e.g. buyers, sellers, MNCs)

CHAPTER FIVE

A broad range of stakeholders who affect and/or could be affected by the business' operations were identified using the criteria above, with the help of a cross-section of people, mainly community leaders.

Stage two: identification of capacity issues

Owner-managers shared information on the resources (technical and financial, human, etc.) their business could allocate to CSR initiatives. Capacity is very subjective amongst SMEs, and usually depends on the levels of investment available for CSR engagement. This stage was key to identifying which needs the SMEs could act upon, and fulfilling the principle of co-design, which should focus on business objectives and policies, as well as the balance between owner-managers' values and stakeholder demands.

Stage three: identification of the engagement strategy

The engagement strategy defines the SHE goals, expectations, and commitments, which are based on the business' core functions and objectives. Through BCSDU's collaborative stakeholder engagement model (next section), the owner-managers were able to learn and understand SHNs, demands and expectations. Despite having an open strategy that permits stakeholders to express concerns and needs, the SMEs mainly engaged with CSR practices that were in line with both their personal values and SHNs, although this was not always the case. The identified stakeholders were made aware of the business' engagement strategy, objective(s) and scope, and had to be involved from the beginning.

5.5.2 Engaging

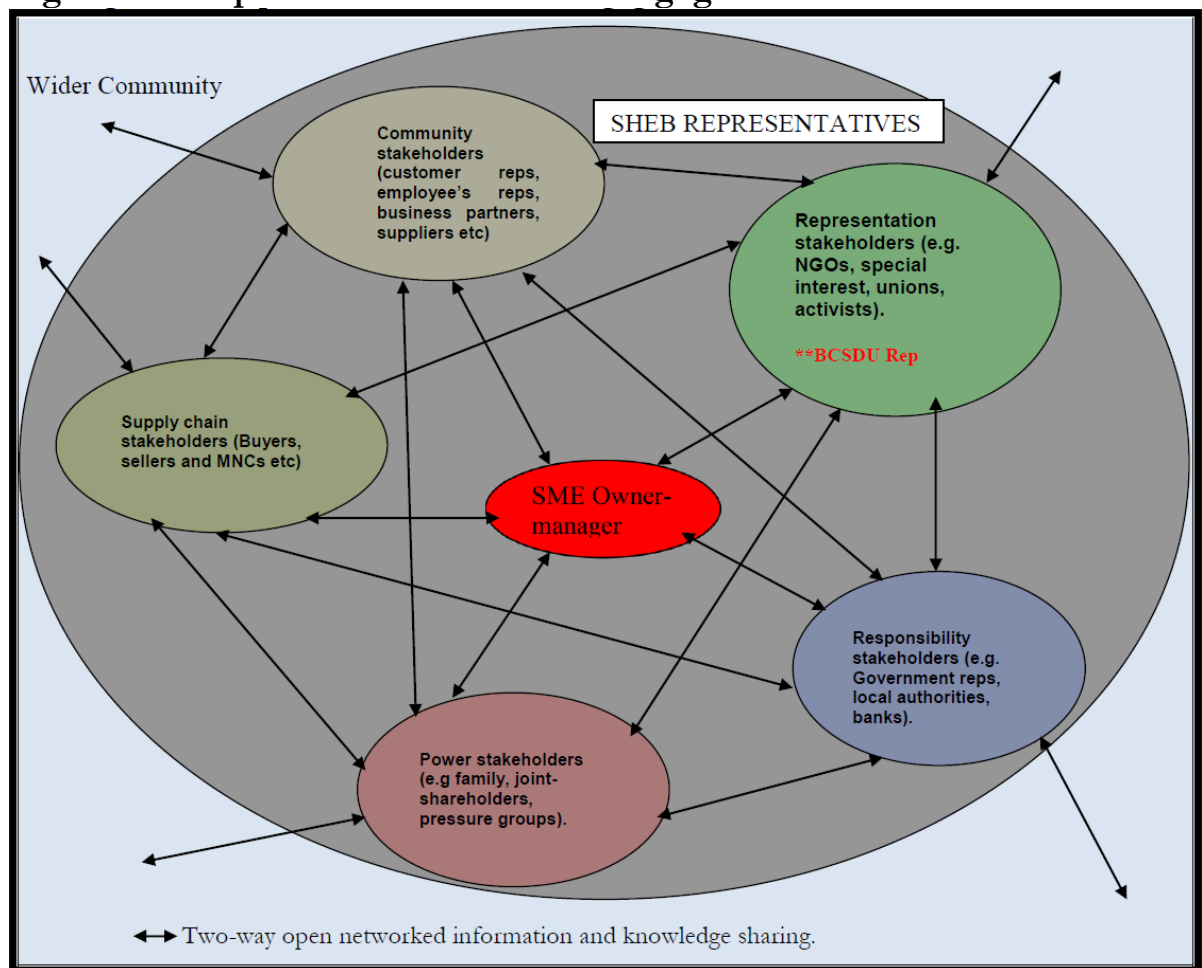
Stage four: identification of the mode of engagement

The researcher, together with the owner-managers, identified a method by which to engage with the identified stakeholders. The Co-productive Stakeholder Engagement Model (CPSEM) (Figure 5.2) was proposed, wherein stakeholders engage not only with the owner-manager, but also fellow stakeholders, building a

CHAPTER FIVE

working network with a common goal. The model acts as a mechanism to capture information about the interests, needs and expectations of both owner-managers and stakeholders in the wider community. Owner-managers and stakeholder representatives form the SEB, which is chaired by the owner-manager. Through open dialogue, needs and demands are identified, and possible solutions discussed, in a co-productive manner. These SHNs could be community issues, supply chain requirements or even changes in product specifications (see Chapter 4 – Strategic CSR practices). SHE, therefore, means that the owner-manager listens and responds to SHNs; although the capacity issues identified in stage two determine how much can be acted upon.

Figure 5.2 Co-productive Stakeholder Engagement Model



Source: Compiled by the author.

Unlike Freeman's (1984) traditional SHE model, wherein everything is predetermined, measured, and ultimately managed by the business owner, the

CHAPTER FIVE

CPSEM emphasises interaction and involvement with all stakeholders who feed back to the community (primary stakeholder) in an open communicative, consultative, collaborative and co-productive manner. Table 5.1 summarises the differences between Freeman's (1984) model, and BCSDU's CPSEM.

Table 5.1 Differences between the traditional model and CPSEM

Dimension	Traditional stakeholder model (Freeman, 1984)	CPSEM
Communication	<ul style="list-style-type: none"> -One-way telling -Targeted information -Focuses on owner's interests -Aims to tell and persuade -One-on-one verbal telling 	<ul style="list-style-type: none"> -Open, networked information sharing -Consistent message to stakeholders -Focuses on societal benefit -Aims at co-production, stakeholder accountability and responsibility -Stakeholders use internet (web platforms, skype, video and tele-conferencing)
Co-production	<ul style="list-style-type: none"> -'Owner' vs. 'the rest' -Owner's terms -Focus on personal/business values -Aims at intrinsic satisfaction 	<ul style="list-style-type: none"> -SME-stakeholder dialogue -Shared responsibility for agenda and process -Focus on sustainability of the business and SHNs in the community -Aims to identify common community issues solutions
Engagement	<ul style="list-style-type: none"> -Owner decides on what, how and when to act. Owner manages stakeholder relationship -Owner aims at intrinsic satisfaction -Philanthropic CSR practices -'Bolted on' to core business 	<ul style="list-style-type: none"> - Stakeholders and owner decides on what, how and when to act (based on capacity issues) -All stakeholders participate in multi-stakeholder networks -Co-production towards sustainability for all -Strategic CSR practices -Integrated into core business and beyond.

Source: Compiled by the author

The CPSEM supports Harts' (1995) view that collaborative engagement is the best approach to achieving competitive advantage and sustainability. Stakeholders are a source of opportunity for any business (ibid); thus, the CPSEM generates strong social performance and promotes the accomplishment of SD. Today, businesses operate in a 'open and networked environment', so the model enables them to collaborate with wider stakeholders, sharing ideas and knowledge that are fundamental to innovation and long-term profitability. The owner-managers learnt which community issues and needs are important to

CHAPTER FIVE

stakeholders; this allowed them to concentrate on CSR activities that offer affordable solutions to community challenges which are not just ‘bolted on’ to the core business functions, but become an integral part of a strong and sustainable SME.

All stakeholders have a ‘stake’ in the SME’s CSR practice, by virtue of being part of the community/society. BCSDU’s CPSEM reinforces how wider stakeholders can collectively influence businesses’ engagement within the community, and the country’s SD agenda. The model, therefore, links to WBCSD’s (2000) CSR understanding, which advocates businesses’ involvement with internal and external stakeholders.

The model allows collaborative power of stakeholders; a logical and common identification of issues hindering development in the community which the SME can tackle sustainably. Collaborative power utilises concealed collective energy, viewpoints and knowledge to generate unique solutions in an innovative manner, which the owner-manager could not achieve or afford independently. Consultation with stakeholders allows SMEs to produce goods and services in the manner required by stakeholders such as customers, thus avoiding risk of rejection once on the market – e.g. Kumar’s SHE resulted in greener air conditioners, which then allowed him to secure bigger contracts. Therefore, this inclusive and collaborative model is a cost-saving mechanism for businesses in the long-run.

During the initial planning stages, the researcher would normally be present at SEB meetings to support and oversee the proceedings, although owner-managers would eventually manage this themselves. Successful engagement depends on the principles of co-design and co-commission; therefore, owner-managers need to balance what they can offer with SHNs, whilst being clear on what is/is not negotiable.

CHAPTER FIVE

Stage five: SHNs analysis

The researcher worked with the owner-managers to analyse SHNs, identifying and understanding the opportunities and risks associated with these in consideration of the co-design and co-commission principles. At this stage, the owner-managers normally follow a strategy on how to action the proposed needs in relation to their businesses' capacity and personal values. The owner-manager and the researcher would fully explore the risks associated with SHNs, and put in place a contingency plan in case such risk escalates.

Stage six: assess capacity needs

SMEs assess SHNs in relation to available resources (staff, money, and time) and competencies (expertise and experience). In cases where capacity is an issue, the researcher normally recommended collaboration or partnership with other agencies from wider BCSDU networks. However, in this case, the SEB had to be involved in the process and made aware of any changes taking place, including those aimed at building and strengthening capacity.

When businesses work collaboratively, they easily achieve competitive advantage (Harts, 1995). This also helps to fill governance gaps, especially in failing economies like Uganda. For example, the SEBs of participants such as Olivia, Florence, Eli, Hudson and Richard agreed to create environmental protection awareness in partnership with local schools and teachers. These practices brought their businesses closer to both the community and other external stakeholders like government institutions, and would eventually strengthen their reputations and increase profits, such as in Kumar's case. In strengthening these partnerships, some owner-managers expanded their networking capacity to join advisory panels of international governing institutions; for example, Sam represents agricultural co-operatives and farmers in Uganda on the International Co-operative Agricultural Organisation board.

CHAPTER FIVE

5.5.3 Reviewing and evaluation

Stage seven: learn, act and communicate

SEBs are learning and informing mechanisms for both owner-managers and stakeholders. Through SEBs, owner-managers can access SHNs and demands and communicate to stakeholders their likely business actions (CSR practices). Stakeholders are mostly interested in knowing how the SME intends to respond to their needs. A clear, honest, coherent and consistent response is paramount, in line with the both the owner's and stakeholders' values. In order to maintain trust, it is recommended that owner-managers are realistic in what can/cannot be impacted. Owner-managers are required to regularly implement action plans, which should include measuring and monitoring indicators for the whole process. Owner-managers should always communicate the value and impact of engagement to both internal and external stakeholders. Sustainability reports are highly recommended; co-production of these increases their credibility, and enhances learning.

Stage eight: evaluate process and performance

SEBs should participate in the design and implementation of the engagement measurements. They are fully responsible for quality and progress measurement, monitoring and assessment of identified SHNs. The measurement or assessment tools are supplementary to those already existing within the business structure, such as those provided by the UN and other monitoring bodies (Appendix B). SMEs must adhere to BCSDU's assessment regarding whether SHNs are acted upon, as agreed during the engagement phase.

Stage nine: reassess

SMEs and BCSDU are regularly assigned to reassess, re-map and revise the SHE model and overall framework. This may arise as a result identifying new stakeholders to engage with, or changes in capacity or business objectives/values. Re-evaluation also helps to monitor the board's performance and success. This stage is ongoing.

CHAPTER FIVE

The SHEF is an on-going cyclical process similar to the Dewey's (1934) educational philosophy, Deming's (1982) plan-do-study-act (PDSA) cycle, or Kolb's (1984) learning cycle. Just like these continual assessment cycles, the SHEF requires the SME owner managers to "close the loop" between their businesses and society by reflecting on SHNs and using a co-production mechanism (CPSEM) whilst learning, acting and improving communities where they operate on an on-going basis.

BCSDU's SHEF is useful for SME owner-managers to identify SHNs that might accelerate into conflicts between the business and stakeholders such as consumers. By working through the framework, owner-managers were able to collaboratively identify community issues and quickly respond to them. The framework is a pre-active mechanism that avoids unwanted distractions such as stakeholder demonstrations and boycotts. For example, in Max's case, social inequality and poverty continues to rise in his community. Stakeholders demanded to be rewarded for their continuing loyalty, and for radio programmes to address the impacts of population increase and corruption. Such SHNs were very complex and may not have been identified or addressed by one man (Max); thus, collaborative working with wider stakeholders for holistic solutions was beneficial to both Max and the community.

Therefore, this open engagement model allows businesses to attune personal values with those of stakeholders (Svendsen and Laberge, 2005). The framework permits collaborative sharing of information across different stakeholders, mainly through the SEB; in Max's case, this led to innovative and profitable ventures in the long-run.

Despite the different perspectives on what a meaningful SHEF looks like, strong SHE is rare. There is an assumption that the more a business engages with its stakeholders based on self-satisfaction, the stronger the engagement (Freeman, 1984). This egotistical view contradicts the researcher's practical experience and

CHAPTER FIVE

beliefs on the true meaning of SHE. BCSDU's CPSEM, however, overcomes the latter point because it fulfils the three perspectives of engagement (co-design, co-commission and co-assessment). It is useful for meeting owner-manger's and wider stakeholders' aspirations, as well as connecting SHE and CSR.

This chapter throws an opportunity to rethink and finally develop a stakeholder engagement framework that departs from the traditional engagement theory of 'listening' and 'telling', in a co-productive and collaborative manner between SMEs and their stakeholders not only had an influence on identifying stakeholders' needs, but also changed internal BCSDU working procedures

5.7 Summary of Chapter 5

Based on the researcher's contribution to practice discussed above, the following conclusions can be drawn.

- The SHEF is presented as way in which owner-managers can identify/respond to SHNs via an open and co-produced mechanism.
- The CPSEM, which emphasises stakeholder interaction and involvement through networked communication, consultation, collaboration and co-production, is also an alternative to Freeman's (1984, p.1999) traditional hub-and-spoke model.

The next chapter discusses the implications of the researcher's contribution to this study and practice in general, together with the findings from Chapter 4, beginning with SME owner-managers' understandings of CSR.

CHAPTER SIX

CHAPTER 6: DISCUSSION

“Between now and 2015, we must make sure that promises made become promises kept. The consequences of doing otherwise are profound: death, illness and despair, needless suffering, lost opportunities for millions upon millions of people.” — UN Secretary-General Ban Ki-moon (UN, 2011)

6.1 Introduction

This chapter discusses the raw data (Chapter 4), which is supported by the researcher’s contribution to practice (Chapter 5), to provide empirical results which are evaluated against literature (Chapter 2).

Chapter objectives

1. Uncover what CSR means SME owner-managers in relation to the literature.
2. Construct a contractual framework of the traditional CSR driver/s for owner-managers.
3. Discuss how traditional CSR driver/s influence owner-managers’ engagement with CSR in relation to the literature.
4. Assess whether SME/CSR practices contribute to community development and thus SD.
5. Summarise the empirical findings and their theoretical underpinnings.

6.2 Discussion

6.2.1 SME owner-managers’ CSR understanding

Despite CSR meaning something to all participants, data analysis shows that most of them had divergent ambiguous, subjective, conventional and occasionally uninformed CSR understandings based on both intrinsic and extrinsic motives (Table 4.10). Their understandings can be traced to political, instrumental, integrative and ethical CSR theories (Crane et al., 2008, p.96). Most participants’ CSR definitions consisted of themes such as ‘doing the right thing’ and ‘paying back to society’, which are aligned with intrinsic drivers. Their understanding of CSR is based on self-satisfying values such as power, pride and status in their respective communities. Due to owner-managers’ scrambles for status, their CSR understanding is diverted to personal gain, leading to personalised CSR definitions. This is consistent with Davis’ (1960, 1967) political theory of corporate constitutionalism.

CHAPTER SIX

However, there is wider empirical evidence to support Crane et al.'s (2008) declaration that CSR understanding is related to theories (instrumental, integrative and ethical) other than Davis' (1960, 1967) political theory, as some participants' CSR definitions depicted additional themes, like 'accountability and responsibility' and 'impact and development'.

With reference to CSR being construed as philanthropy, the data analysis contains empirical evidence that, at times, most participants referred to CSR and philanthropy synonymously. Philanthropy was the most common practice amongst interviewees (Visser, 2008; Nkiko and Katumba, 2010). Owner-managers offered donations towards areas such as education, unemployment and health.

Despite efforts in this study and previous research (Preston and Post, 1975; Lunheim, 2003; McWilliam et al., 2006) to reach a standardised definition of CSR, a consensus has not been reached due to inconsistency and criticisms around the different definitions. Like other scholars (Votaw, 1973; Henderson, 2001; Marrewijk and Hardjono, 2003), this study would expand on what Matten and Moon (2004) call an 'assemblage of CSR definitions', if another definition is deduced. Most existing CSR definitions are synonymously – and at times wrongly – used to define other concepts, like business ethics, corporate philanthropy, corporate citizenship, sustainability, and environmental responsibility (Gray and Milne, 2002), as evidenced in this study by participants including Eli, Francis and John.

Unsurprisingly, some even felt that the term 'CSR' is not fit for purpose with respect to SMEs, and this is partly to blame for the confusion surrounding CSR. Lawrence, for instance, felt that CSR thrives under a different, 'unknown', jargon, and with different approaches in most developing countries. A number of the CSR definitions proposed by participants (Table 4.10) are based on personal CSR drivers, which are broadly individual (Crane and Matten, 2004,

CHAPTER SIX

p.439). Yet the priorities of owner-managers have extended from personal values to include business strategies, sectors and, more recently, SHNs (discussed later in this chapter). Max and Hudson relate their CSR understanding to the radio station's strategy and business sector respectively. Hudson rightly explains: 'The consultancy sector may find it hard to define or relate to CSR in the same way as those in the retail sector'.

Some felt that they were detached from the term 'CSR', and thus favoured other closely related terms. For instance, Smith preferred using TBL because 'it's the latest evolution of what is often reported as CSR'. Thus, a simple and more applicable terminology may solve the diversified understanding of CSR, which is reflected in the empirical evidence that it is 'inappropriate', 'confusing', 'difficult', etc., to many interviewees.

Lynn, Raymond and Lawrence thought CSR was predominantly developed in and for large businesses (Thompson and Smith, 1991; Jenkins, 2004). The word 'corporate' induces an emphasis on MNCs or large businesses, which prevents SMEs from understanding and/or engaging with the notion. Lynn, for example, recalls: 'I always thought that CSR [was] designed for large businesses [...] most small businesses are put off by just the mere term without even knowing what it means'.

Further data analysis provides a contrasting view to McWilliams and Siegel's (2001) definition of CSR as an action involving social engagement with society beyond that required by law. There is an assumption that CSR gains momentum mainly in environments where there are laws to enforce it (Visser, 2011). This research found otherwise: SMEs engage with CSR despite Uganda having no direct CSR legislation (Nkiko, 2012). This contradiction becomes even more evident when owner-managers' definitions are compared with Carroll's four-part pyramid (Carroll and Buchholtz, 2000, p.35). It is evident that Uganda's SME/CSR priorities do not match the classic American ordering of Carroll's, or

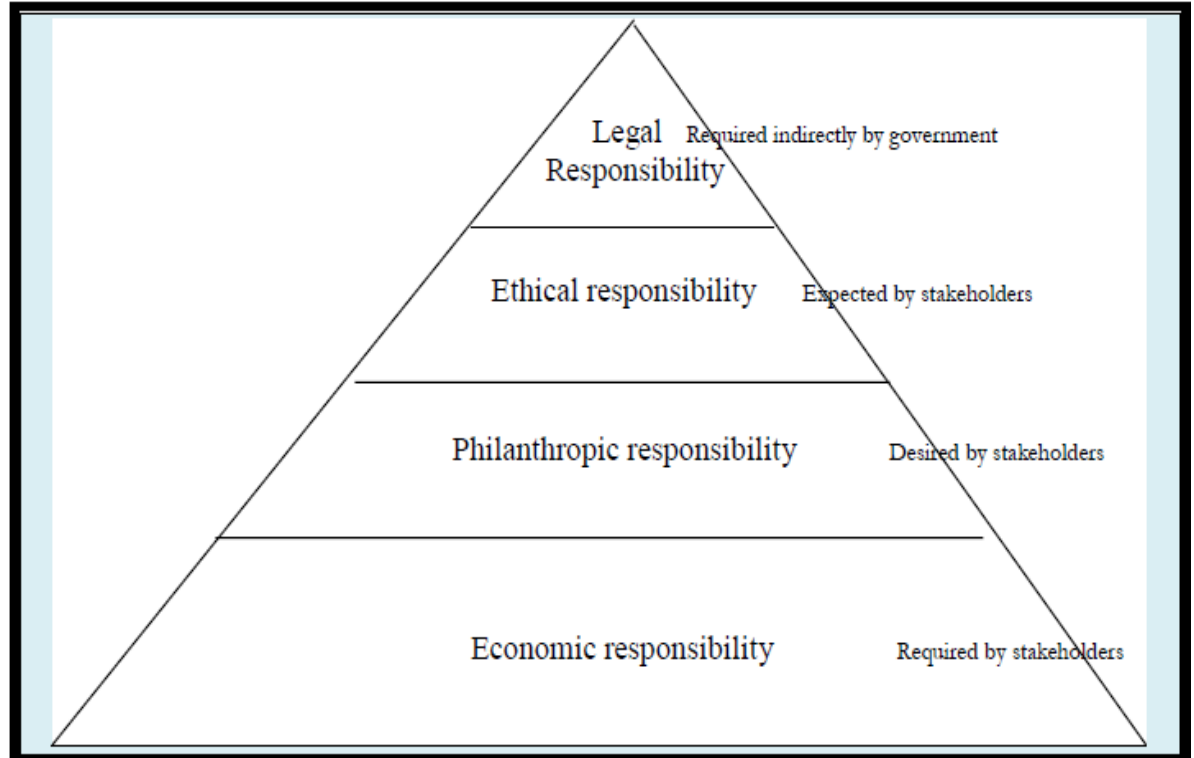
CHAPTER SIX

even Visser's (2008) (version focusing on developing countries), CSR pyramids. Interviews with majority of participants showed that stakeholders mostly require SMEs to have an economic, followed by philanthropic, responsibility to their communities. These two priorities are fully evidenced in the literature (Crane and Matten, 2004; Visser, 2008) as the highest priorities of CSR in developing countries such as Uganda.

In contrast to Carroll's view that people are more concerned about legal responsibilities than ethical ones (Carroll, 1991), all participants in this study engage with CSR on a voluntary (ethical) basis, since the Ugandan government has failed to enforce it – thus, ethical responsibilities are the third-highest priorities. The legal responsibilities requiring businesses to abide by the law or 'play by the rules of the game' therefore sit at the top of the pyramid. In Uganda, even the indirectly-CSR-related legislation, such as the National Environment Act, Cap 153, are not always enforced (Nkiko and Katamba, 2010). Therefore, empirical data analysis suggests that legal responsibility is least favourable, and Carroll's model may have to be re-arranged (Figure 6.1) to be relevant to Uganda.

CHAPTER SIX

Figure 6.1 Uganda's CSR Pyramid



Source: Adapted from Carroll (1991) and reproduced by author

The continued criticisms of failures by developing countries' governments to enforce CSR (Kakabadse et al., 2005) are reflected in this study. Without any legal declarations from the Ugandan and indeed many sub-Saharan governments, CSR understanding as put forward by Carroll (1991) remains based on stakeholders' requirements, desires and expectations.

Empirical data analysis further evidences that the firm's size, sector or location (Table 4.1) does not necessarily determine the context, nature and extent of the firm's social responsibility activities, as earlier suggested by OE-SME (2002) and Thompson and Smith (1991). The study also reinforces Blowfield and Frynas' (2005) finding that CSR is not exclusive to the North, with evidence that SMEs in the 'South' (sub-Saharan region) do engage with it. As established previously (Nkiko and Katamba, 2010), although continental societies such as ATS may not have had 'CSR' terminology in their vocabularies, they have a longstanding social engagement with society. Majority of participants such as Fazil, Ben and Masudi acknowledged CSR's generational existence in Uganda; in fact, some were frustrated by the way the notion has lately come to be applauded. Fazil, for

CHAPTER SIX

example, said: 'Most of the contents in the new CSR policies [already existed] within our business structure, although in a more informal way'.

With regards to firm size, Raymond, for example, engages in more CSR activities than Fazil, despite both being in agriculture, horticulture and fisheries sectors, and employing 5 and 57 staff, respectively. Equally, Robert and Hudson, in the construction sector, employ 76 and 92 staff, respectively, but engage relatively less in CSR practices than Badel, Maggie and John who have 48, 29 and 27 employees, respectively, in the agriculture, horticulture and fisheries sectors, despite both sectors relying heavily on a healthy community and sustainable environment. Those in the agriculture, horticulture and fisheries sectors engage more with CSR, regardless of their business' size.

Similarly, special ownership structures of family SMEs, such as Masudi's, Roger's and Richard's, provide particular opportunities to engage with CSR (Dyer and Whetten, 2006). Strong family background was identified as a CSR driver to owner-managers in this study; thus, owner-managers' intrinsic and extrinsic motives are key to CSR engagement, irrespective of their businesses' 'size'. Thus, the study shows that firm size (number of employees) does not determine CSR engagement.

However, the study shows a positive correlation between firm size and the 'nature' and 'types' of CSR activities engaged with. Kenneth stated:

'The "Coca-Colas" of this world are building schools, therefore SMEs like us should join them in implementing their initiatives by working with parents in encouraging children to attend classes'.

Building a school requires more resources compared to organising or sponsoring children to attend classes, but this does not imply that the latter practices are not CSR. Differences in CSR resources (capacities) such as money, time and effort are common between SMEs and large businesses (Asongu, 2007). Nevertheless,

CHAPTER SIX

some participants such as Kumar believe that ‘all businesses have the qualities, time and other resources to manage CSR activities’.

Going back to Crane et al.’s (2008) proposition that widens CSR understanding in relation to instrumental, integrative and ethical theories, the findings in this research provide significant empirical evidence to support the view that SMEs are accountable and responsive not only to their intrinsic needs, but also to a multiplicity of stakeholder interests. Wider stakeholders have influenced SMEs to become more socially responsible (Chapter 5, and discussed in the next section), and SHE has transformed CSR understanding even further (Freeman, 1984; Wood, 1991; Clarkson, 1995; Waddock et al., 2002; Mallenbaker, 2003). In an effort to integrate the ethical and instrumental theories through SHE, participants’ CSR definitions diverged towards the SD concept.

Participants’ CSR understanding is explored in relation to WBCSD’s definition of the CSR (see Chapter 2). Table 6.1 offers an analysis of phrases used by interviewees in their CSR definition (Table 4.10), in relation to the five dimensions in WBCSD’s definition Table 6.1 evidences participants’ CSR understandings being aligned to SD and underpins the research’s adoption of WBCSD’s CSR definition. Voluntariness dimension (Table 6.1) is considered pertinent for all participants because they voluntarily engage in CSR, beyond the narrow economic, ethical and legal requirements (Davis, 1973, p.312; Carroll, 1999). Hence, majority participants such as Florence have considered CSR as: ‘the businesses’ responsibility beyond what is legally required to make a positive impact on society and the environment while engaging with their stakeholders’. This means that a minimum responsibility performance level should be identified. However, what qualifies as ‘below’ or ‘above’ the regulatory requirements in a country like Uganda without CSR legislation often differs between businesses, especially SMEs with no specific CSR policies or even strategies. This lack of specific responsibility prompts businesses to express

CHAPTER SIX

opinionated, one-dimensional, and occasionally vague definitions of the CSR terminology (Crane and Matten, 2004, p.439).

Table 6.1 CSR definition dimensions

Dimensions	Definition coded to the dimension if it refers to:	Example of phrases in participants' CSR definitions.	No. of interviewees
Social	Relationship between business and society	People's livelihood, wider society, social insinuation, social commitment, back to the community, societal	29
Economical	Socio-economic or financial aspects, including describing CSR in terms of a business operation	Improve people's livelihood, making a contribution to communities, economic development, paying back, positive impact, economic development, preserving profitability.	26
Environmental	The natural environment	Protecting the environment, positive environmental consequences, environmental aspects, businesses' environment, respecting the environment.	25
Stakeholder	Stakeholders or stakeholder groups	Stakeholders, contribution to communities, employees, environment, customers. Staff, people, communities, society.	27
Voluntariness	Actions not Prescribed by law	Voluntarily, business insinuation, beyond what is legally required, based on ethical values	30

Source: Compiled by the author.

Social, economic and stakeholder dimensions (Table 6.1) were frequently mentioned by participants, with a general view that these are geared towards social developmental issues. Many interviewees recognised themselves as producers of economic wealth towards different stakeholders. For example, Vivian says her bank 'is regarded as the greatest contributor to both economic and social development in our community'. Such thinking practically relates CSR understanding to stakeholder theory (Freeman, 1984; Vos, 2003; Whitehouse, 2006), which this study recognises as a mechanism through which SMEs engage with CSR to contribute to SD (discussed later in this chapter). 28 of the 30 participants related CSR to a 'development-embracing' concept, probably because of participants' affiliation with BCSDU which overall advocates

CHAPTER SIX

WBCSD's CSR definition. This has been acknowledged as a likely limitation for this study (see section 7.4)

Furthermore, WBCSD's CSR definition preferred in this study, however, has been criticised (Frynas, 2005; Blowfield, 2008) for failing to embrace the environmental dimension, despite it being listed amongst WBCSD's core values (though the counter-argument is that the environmental aspect was not included in the 'original' CSR dialogue set forth by Carroll, Davis and Blomstrom). In fact, interviewees like John state: 'WBCSD's definition seems not to include the environment in its "face-value", although [...] it's listed among what the business' core values should be'. Despite being mentioned least by participants (Table 6.1), the environmental dimension is becoming accepted by many businessmen as grounds for understanding CSR. For example, the CSR understanding in this study was regarded by some participants as a concept through which they engage in 'greener' practices, such as tree planting, reduction in energy consumption, and recycling.

Overall empirical data analysis evidences participants' CSR understanding from two theoretical underpinnings. Traditionally, owner-managers related CSR to political theories because their social responsibility activities arose from their social power towards community development (Davis, 1967). However, due to owner-managers' recognition of SHE, the instrumental, integrative and ethical theories introduced 'another' CSR understanding. A combination of these was evident in participants' CSR understandings, which are closely associated with development concepts such as competitive advantage (Porter and Kramer, 2002), SHE (Freeman, 1984, 1994), universal rights (UN Global Compact, 1999), and above all SD (WCED, 1987).

Therefore, this substantial empirical evidence underlines the role of owner-managers' personal values in defining or understanding CSR as a development notion. The CSR understandings discussed in this section evidence that human

CHAPTER SIX

beings (owner-managers) function like ‘clearing devices’ that edit and rationalise information into significant trends that apply to them (Fisher and Lovell, 2003; Hemingway, 2005). Owner-managers were found to relate to CSR in ways that satisfy personal developmental values. Therefore, their intrinsic values are central to the way they understand CSR, and can thus be considered principle CSR drivers, as discussed further below.

6.2.2 SME owner-manager: the key driver of CSR

Most previous research (Davis, 1973; Garriga and Melé, 2004; Visser, 2008) has identified businesses’ internal and external drivers as the motivating factors in engaging with CSR activities, whilst ignoring the people behind those drivers. This study, however, supports Hemingway’s (2005, p.233) and Baden et al.’s (2009) proposition to acknowledge CSR as dependant on a salient sense of individuals’ responsibility or a person’s collectivistic sense of duty to society. Owner-managers’ CSR engagement is largely in fulfilment of personal values or intrinsic motives. There is empirical data to support the view that their image and behaviour is substantially protected because it is perceived as that of their business. This is also traced back from the main participants’ characteristics in this study (Chapter 4), where the ‘owner-manager is the business’. Their beliefs and behaviours have enormous impact on the day-to-day activities of the business they run. Therefore, based on a broader and more humane view, owner-managers’ sustainability views are ultimately those of the businesses they represent.

Due to the personalised nature of SME/CSR practices (discussed below), data analysis shows that owner-managers have overall control of resources, and are principally (in most cases) responsible for CSR. Even in exceptional circumstances, such as Smith’s firm wherein CSR responsibility is delegated to someone else, they remained accountable for any CSR decisions made on their behalf. Smith explains: ‘No matter who does what, the business [owner-manager]

CHAPTER SIX

is still accountable for its actions'. In such a 'one-man' management style, the owner-manager is fully accountable for all business activities.

This important finding supports De-Bruin et al.'s (2007) view that understanding the 'one' at the heart of all business operations is an important tool to understanding business decisions and directions. Data analysis reveals the owner-manager as core to everything within their SME; thus, whatever motivates him/her will ultimately have an impact on the SME. The owner-managers' CSR motivators depicted under the three themes of individual experiences, desires and beliefs (Figure 6.2) are central to traditional CSR practices, which in most cases are philanthropic.

Figure 6.2 SME owner-manager as a key CSR driver



(The drivers and practices in Figure 6.2 were presented and explained individually in Chapter 4.)

Source: Compiled by the author

Empirical data analysis supports Baden et al.'s (2009) view that intrinsic values (Figure 6.2) are a principal driver for socially responsible firms. Owner-managers' motives influence business activities, especially the nature and type of CSR practices they engage with. The study further shows that traditional philanthropic activities are core CSR practices, which have been influenced by owner-managers' intrinsic values, as discussed below.

CHAPTER SIX

6.2.3 Philanthropic CSR practices

Despite the EC's (2002) findings that external social responsibility activities are not an important aspect of SMEs, empirical data analysis has proved otherwise, as most participants' CSR activities are aimed towards community development. As established by Utting (2005), philanthropy is used by businesses in a bid to address development challenges like poverty in most sub-Saharan African societies. However, the study emphasises that such engagement continues to be informal in nature amongst SMEs.

Traditional philanthropic practices are efforts or inclinations by owner-managers to increase their power status through contributing to the well-being of their local communities. Reflecting on Mandl and Dorr's (2007) work, which found that philanthropic practices are directed towards societal needs, data analysis evidences that these practices were mainly conducted through charitable aid or cash donations to local community institutions such as schools, hospitals, cultural organisations, etc. However, most of these activities are subject to owner-managers' intrinsic values, unrelated to core SME functions, and one-offs (OESMEs, 2002).

With the exception of sponsorships for sporting and cultural activities and job creation schemes, the empirical data shows extended SME/CSR activities 'mimic' those from the 'North' (as found by Jenkins (2004)). Owner-managers engage in activities to challenge the most predominant problems in sub-Saharan Africa. Thus, these activities – especially philanthropic donations – are geared towards community development, which in this case relates to the SMEs' prime stakeholders (Mandl and Dorr, 2007).

Christensen and Murphy (2004) disregard payment of wages and taxes as a CSR activity; however, data analysis shows a few entrepreneurs, like Fazil hold this flawed view. These participants feel that they are developing communities simply by employing and negotiating sustainable wages with the local people. It has long

CHAPTER SIX

been argued that employees in Uganda are subject to exploitation, since workers are paid substantially less than the national average minimum wage; poverty levels are substantially higher than the national minimum average; and employees often work in poor conditions (Devereux, 2005). Despite some NGOs such as BCSDU condemning businesses that pay workers the minimum legal wage, the practice is still evident in many areas. Paying employee wages and taxes is a mandatory obligation for all businesses in Uganda, and has therefore been removed from BCSDU's list of SME/CSR practices in favour of other development activities.

The overall empirical findings suggest that owner-managers are intrinsically motivated by personal values to engage in philanthropic activities geared toward community development activities – themed in this study under health and welfare, employment and training, and education/training activities. In Chapter 4, personal values were coded into experiences, beliefs and desires, and it is further substantiated that they influence owner-managers differently to engage in philanthropy.

6.2.3.1 Experiences driving philanthropy

Owner managers' experiences were found to influence their decisions to engage in actions that may have an impact on others (Dewey, 1934). Other scholars have concluded that past experiences influence individuals' future decisions, meaning that people can be driven to make decisions based on past experiences (Juliussan et al., 2005). Empirical data analysis supports these findings with evidence that owner-managers' experiences contributed towards their engagement in philanthropic activities.

There were common relationships between owner-managers' experiences and the CSR activities in which they engage. Participants engage in activities that are regarded as solutions to incidents from their pasts, in order to avoid such experiences reoccurring in their communities (Sagi and Friedland, 2007). Most

CHAPTER SIX

owner-managers in this study with life-threatening or death experiences associated more with activities aimed at saving lives, by donating towards or sponsoring healthcare or education initiatives. For example, Restituta and Abby's CSR engagements relate to an alcoholic father and maternal abandonment, respectively. Correspondingly, they help young people from difficult backgrounds to find work. Similarly, Sam and Olivia's background in absolute poverty motivates them to engage in poverty alleviation activities by sponsoring sports activities and students' education programmes. George's drug addiction inspired him to offer free skills training to soldiers and prisoners' families.

Catastrophic experiences such as deaths in Eli and Lynn's families motivate them to engage with educational apprenticeship programmes for upcoming artists, and HIV/AIDS prevention and awareness programmes. Such disastrous events motivate SMEs to engage with 'preventative' or 'pro-active' CSR activities.

Positive experiences can also inspire individuals to do good for others. Hudson's volunteering experience and Kenneth's wealthy background, for example, influenced them to sponsor education activities. Motivation to engage in an action requires the individual to either desire or feel positively about an experience. Similarly, the empirical data analysis shows that participants' philanthropic engagement is equally driven by personal desires, as discussed below.

6.2.3.2 Desires' influence on philanthropy

The empirical data supports Reiss' (2002) and Hemingway's (2002, 2005) supposition that personal desires (family/idols, legacy, education and career and socio-economic development (Chapter 4)) also influence business leaders' decision-making processes.

CHAPTER SIX

Close families have also been seen to have an influence on owner-managers' engagement with CSR. For example, Kenneth, Masudi, Roger, Max and Fazil's fathers are central to their engagement in education and training activities. These managers wish to make their deceased family members proud. Eli's wife and daughter and Restituta's mother have also influenced their respective philanthropic engagements, especially around education and training activities.

Teachers were also mentioned as philanthropic drivers for participants such as Robert, for whom CSR is about 'adding value in people's lives just like Mr Ssali's value-adding opportunity to allow me work [at the] school'. This experience motivated Robert to offer jobs and apprenticeships to disadvantaged children, as well as flexible payment plans to low-income earners.

Other participants' CSR engagement is driven by their desire to leave a legacy behind. Questions like 'What will people remember about me?' were common motivators. The answers are relative, however, because individual satisfaction is comparative in all cases. Most owner-managers with such desires sponsor and/or donate cash towards education and training, as well as employment and welfare activities. Max and Florence, for example, are motivated by the desire to be part of the next generation's education, and thus engage with activities such as community sponsorship programmes aimed at children's sustainable future. Florence says: 'It's a great joy to be part of the next generation's education in helping them learn how to respect the environment [...] Our grandchildren will have a totally different attitude towards the planet and this in itself will be a great achievement'.

This empirical data supports Reiss' (2002) supposition that individual status depends on the extent to which desires are matched by the activities engaged in. For example, Max, Florence and Vivian fund public announcements, consultancy services and school breakfasts, respectively, and identify themselves with a high social standing within their respective communities. Similarly, others

CHAPTER SIX

like Richard, Olivia and Fazil are inspired by iconic figures, such as Nelson Mandela and Dr Martin Luther King, who they wish to emulate in making a positive impact on other people's lives.

For those relating their career to CSR involvement, employment and welfare activities were the most common philanthropic practices in which they engage. John and Maggie engage in employment and welfare practices such as donating fishing equipment to local farmers and funding skills classes, respectively.

The next CSR driver is academic background; in some cases, participants related academic knowledge and skills to their engagement with philanthropic activities. For example, Vivian, Richard and Lawrence's courses in Finance and Business Management, Strategic Management and Business in Society, respectively, create an awareness of global problems. Thus, they use their knowledge and skills to engage in welfare activities aimed at solving some of those problems.

Often, subject choice is not an explicit driver towards CSR involvement. For example, Kumar graduated with an engineering degree, but his involvement with welfare activities can be traced from an understanding that CSR is a business engagement with society and the environment in consideration of the present and future. Similarly, Masudi believes that, had he gone to college or university, his business would be more engaged with CSR.

Data analysis further supports Visser's (2008) deduction that CSR in developing countries is directly shaped to respond to socio-economic development priorities. Participants such as Kumar, Florence and Max share knowledge, expertise and skills gained through experience, education or from abroad through lectures and consultancy sessions, which help others to overcome developmental issues. Correspondingly, owner-managers like Max and Chris are driven to promote equality and diversity and engages in employment and welfare activities and education practices. For instance, Max offers free airtime for adverts on social development initiatives, and Chris offers free IT classes and

CHAPTER SIX

consultations to community groups. Activities intended to reduce unemployment in communities are also common amongst owner-managers who are driven by making a difference in their communities; for instance, Robert offers apprenticeship jobs to the most disadvantaged within the community.

Employment and welfare, in addition to education and training practices, were the most significant CSR activities for SMEs motivated by crisis and emergency response or filling government gaps. For instance, Francis Ben and Hudson offers youth apprenticeship schemes, and Restituta provides vocational training to prostitutes. Correspondingly, Kumar donates cash towards building homes, and Maggie and Lynn engage with teacher and vocational training, respectively. Such managers engage with these practices in response to the government's failure to do so.

7.2.3.3 Beliefs affecting philanthropy

Empirical data analysis also supports Forsyth's (1992) and Smith's (1994) views that beliefs influence individual ethical decision-making. Despite a belief that CSR is a Western and large-business concept (Thompson and Smith, 1991; Jenkins, 2004), empirical data shows that CSR (philanthropy) in sub-Saharan Africa is traditionally driven by cultural and religious beliefs.

For example, Ben and Kumar's Christian faith motivates them to engage in welfare schemes such as creating road safety awareness and donating cash to blood banks, respectively. Similarly, Masudi's Islamic faith motivates him to run HIV/AIDS prevention programmes, and Badal's Hindu beliefs inspire him to offer scholarships to AIDS orphans. Cultural beliefs such as 'communalism' influence Raymond to donate cash toward local farmers' developmental initiatives, whilst Roger's adopted cultural influences from abroad induces him to donate cash to struggling farmers and donate unwanted office equipment to local libraries, respectively.

CHAPTER SIX

The owner-managers regard their personal ethical and moral values in some cases as influencing the nature of their CSR activities. While ethical and moral values influencing philanthropy are not mutually exclusive, each interviewee ultimately engages in different activities, although these are all philanthropic in nature. Abby explains that CSR involves ‘individualist practices and benefits to business owners [...] aligned to their values and morals [...] However, these are neither quantifiable nor seen [...] they are just salvaging one’s conscience’. Therefore, different owner-managers are motivated by different individual ethical and moral values. For example, George and Maggie value equal opportunities, which influences them to offer scholarships to primary school dropouts. Eli, Fazil and Badel engage in philanthropy to overcome their own guilt. They ‘feel better’ by making donations to AIDS orphans, offering scholarships to girls to study agriculture, and providing interest free-loans to farmers, respectively.

Further data analysis evidences another set of drivers towards SME/CSR engagement, identified as ‘stakeholder activism’ in this study. As seen in Chapter 5, owner-managers have difficulty meeting SHNs, and are caught in a win-win dilemma: either satisfy personal values, or respond to SHNs. With the support of BCSDU and the researcher’s contribution to practice (Chapter 5), owner-managers were supported in shifting their focus to consider SHNs alongside personal values. The next section discusses the effects of stakeholder activism on CSR practices, drivers and wider stakeholders, in relation to existing literature.

6.2.4 Stakeholder activism: From ‘traditional’ to ‘strategic’ philanthropic practices

Empirical data analysis shows a transformation from ‘discretionary’ and ‘traditional’ philanthropic CSR engagement (Carroll, 1979; 1991; 2004) driven by the owner-managers’ experiences, beliefs and desires (intrinsic drivers), to strategic philanthropy influenced by stakeholder activism. Over time,

CHAPTER SIX

stakeholders realised that owner-managers engaged in activities that often addressed the ‘wrong’ issues (Rodgers, 2006), largely about satisfying intrinsic motives. Consequently, stakeholders demanded alternative CSR practices focusing on community needs (McWilliams and Siegel, 2001). Such pressure changed BCSDU’s registered SMEs and indeed participants’ SHE models, which resulted in a share of power between stakeholders and owner-managers regarding what CSR activities to engage with.

As found by Freeman (1984), Donaldson and Preston (1995), Frooman (1999), and Jawahar and McLaughlin (2001), this study has evidenced growing SHNs for businesses’ improved engagement with them. Empirical data supports Porter and Kramer’s (2006) hypothesis that businesses have to adopt strategic CSR to overcome such demands, in order to gain competitive advantage. Noticeably, the shift sees a change from owner-managers’ ‘one way telling’ mode of engagement (Freeman, 1984; Donaldson and Preston, 1995) to one wherein stakeholders participate in CSR decision-making that leads to strategic philanthropy. It is identified in the CPSEM (Chapter 5) that owner-managers work collaboratively with wider stakeholders to identify and action community needs. Stakeholders are no longer willing to be ‘told’ what is good for them; they express willingness to engage with owner-managers in meaningful ways that benefit both the business and the whole community. This supports the deduction that stakeholder activism is another key SME/CSR driver. Figure 6.3 presents an overview of how stakeholder activism influences the different strategic philanthropic practices.

CHAPTER SIX

Figure 6.3 Stakeholders' impact on philanthropy



(See Chapter 4 for more detail on the drivers and practices in Figure 6.3)

Source: Compiled by the author.

Stakeholder activism (Figure 6.3) relates to extrinsic CSR drivers, here sub-coded into market, social and globalisation drivers (Chapter 5). Empirical data analysis further suggests that these stakeholder categories influence owner-managers differently to engage in strategic philanthropic practices.

7.2.4.1 The market influence on strategic CSR practises

Data analysis supports Nkiko's (2012) observation that, in the absence of strong governmental CSR legislation, stakeholders (such as customers, consumers, employees and investors (Chapter 5)) are often major CSR drivers. In this case, participants became responsive to SHNs that are aimed at community development. These needs mostly relate to environmental, and equality and diversity practises. At SEB meetings, demands from customers, pressure and campaign groups were identified and shared with the owner-managers. The stakeholders solicited SMEs' engagement with environmental practices, just like their large counterparts. Society as a whole also responded to the global call for ethical products (Visser, 2011). Badel, for example, is driven by customer groups to ensure that fair prices are paid to local suppliers. Fazil witnessed this power of consumer groups such as Codex Alimentarius Fair-trade Foundation and the Uganda Consumers' Protection Association (UCPA).

CHAPTER SIX

In several cases, talented employees have been attracted to SMEs with pronounced community engagement strategies. In order to maintain their business image in the community, participants such as Rob and Hudson went beyond philanthropic donation customs, allowing staff time off to engage in voluntary community activities. Demands from foreign investors were another CSR driver, as experienced by Abby. Investors align with businesses that are perceived to be community ambassadors (Nkiko, 2008; 2008b).

7.2.4.2 Social motives and strategic philanthropy

The empirical data identifies stakeholder groups such as the media, NGOs, advocacy groups, and local business networks demanding alternative CSR practices to traditional philanthropy. The media is playing a greater role in creating CSR awareness amongst SMEs through its directed publications and awareness creation of what CSR is, and most recently the shaming of business malpractices in Uganda. Raymond and John's cases evidence the media's influence on CSR in Uganda, which supports the view of some Mainstream CSR pessimists that businesses often misrepresent themselves through CSR (Christian Aid, 2005). For instance, philanthropic donations have been published as 'big cheques' within the media, with many businesses thus using CSR as a marketing tool. Some of the owner-managers' engagements with CSR could be seen to fit this motive, although it can be argued that the benefit of their engagement is shared with the wider community.

Like the media, NGOs have also begun to create awareness of SME malpractices in communities. NGOs advocate CSR practices as tools that overcome these malpractices, as well as awareness through partnerships between society and SMEs (Nkiko, 2008b). Most owner-managers acknowledged the impact of WBCSD/BCSDU on their understanding of and engagement in CSR. For example, Chris recognises WBCSD as having: 'promoted the true value of CSR to small-business owners'. Despite disappointing many, the government's failure to recognise CSR is deemed a driver for others. For example, Hudson's breakfast

CHAPTER SIX

centre may be seen as a strategic action to fill the government's development gaps.

6.2.4.3 Globalisation and strategic philanthropy

Empirical data analysis supports Baden's (2009) observation that supply chain requirements, such as the preconditions set for tendering by large businesses, are a major influence on strategic CSR. Participants like George, Ken, Lawrence and John found that they had to meet certain requirements to uphold existing and new supply chain contracts. As recognised suppliers to large businesses/MNCs, some participants found themselves abiding to supply chain conditions that make them responsible or ethical businesses.

For several participants, globalisation is an opportunity to access new markets. In order to achieve this, they have to adhere with universal standards (Moon, 2007), thus improving their environmental and ethical commitments. The data findings ultimately link required supply chain practices with these globalisation drivers. Other participants also recognise supply chain requirements as a basis for developing their own codes or adhering to universal ones; this was the case for Roger, who risked rejection of his produce if he did not adhere to international standards.

Ben and Badel are grateful for their CSR engagement, as it allows them to access international partnerships and foreign investment. Participants on this project and another 250 SMEs registered with BCSDU, sign up to the UN Global Compact code of conduct and the GRI. These new international pressures have made participants more sensitive to strategic philanthropic practices (Figure 4.2).

Overall extrinsic CSR drivers are not only a gateway for SMEs to compete internationally, but also help owner-managers to meet new societal governance guidelines (Chapple and Moon, 2005). Despite the Ugandan government's reluctance to enforce CSR (Kantamba, et al. 2012), some participants have

CHAPTER SIX

collectively adhered to a self-regulatory ethical code of conduct. Lawrence's consultancy firm, for example, voluntarily organises training workshops for other SMEs on CSR reporting. Similarly, Smith has adopted TBL reporting on his business' website. Sustainability reporting was strategically adopted by some participants to evidence good corporate governance to stakeholders.

The empirical data supports Porter and Karmel's (2002) and WBCSD's (2010) ideological view that strategic philanthropy is an inclusive business 'practice' that benefits both the business (owner-manager) and society. Data analysis shows that participants' engagement in strategic philanthropic practices addresses social, economic and environmental targets, benefiting both stakeholders and owner-managers.

The study recognises stakeholder activism as a major influence in the transformation of CSR from traditional to strategic philanthropy. Chapter 5 presented BCSDU's SHEF, through which owner-managers can identify and respond to SHNs that relate broadly to strategic philanthropic CSR activities. The framework leads to the provision of sustainable solutions that go beyond traditional philanthropy towards expanding access to goods, services, and livelihood opportunities for communities in an equally profitable way. The practicability of the SHEF against theoretical interpretations for and against a meaningful SHE model is discussed below.

6.2.5 BCSDU's SHEF – the theoretical and practical underpinning

BCSDU's SHEF is a mechanism through which businesses and their owners are accountable and responsible to stakeholders (Gray, 2002; Evan and Freeman, 2004). Stakeholders' involvement (Freeman et al., 2010) at SEBs to determine which CSR practices SMEs should engage with effectively represents the operational principle of 'inclusivity' (Chapter 5). Inclusivity in the framework gives stakeholders the right to be heard. Participation and involvement is

CHAPTER SIX

voluntary, and stakeholders give explicit consent to be involved; thus, the framework enhances stakeholder fairness and consent (Van-Buren III, 2001).

From the managerial theoretical perspective, BCSDU's SHEF makes the management of risks (Deegan, 2002) associated with SHNs easier. Stage five of the framework (Chapter 5) directs owner-managers to analyse SHNs to identify and understand the opportunities and risks associated with them. Furthermore, BCSDU's SHEF facilitates engaging, listening and responding to SHNs in a co-productive manner, supporting Freeman et al.'s (2010) view that SHE is about managing the firm in response to the interests of stakeholders. Stakeholders and owner-managers are in this case 'experts by experience' and 'experts by association', respectively, which enhances learning, listening and continuous improvement between SMEs and society (Sillanpaa, 1998). Furthermore, to extend earlier stakeholder theories (Freeman, 1989; Owen et al., 2000) regarding one-way management control, BCSDU's SHEF advocates a co-productive SHEF wherein owner-managers and stakeholders take shared responsibility in the management of CSR activities aimed at owner-managers' intrinsic values, and societal development.

The framework further supports the view that SHE is a socially controlled and constructed perspective. It is argued that SHE is: based on trust (Swift, 2001); an SME image-constructing mechanism (Harts, 1995), and a tool that transforms stakeholders' tacit knowledge to explicit knowledge, which the business embeds whilst responding to SHNs (Svendsen and Laberge, 2005). Engagement is based on trust and morals, which create a mutually beneficial relationship between owner-managers and stakeholders.

Friedman's (1996) warning that the CSR movement will result in stakeholders' participation in the management of businesses, eventually threatening the dignified role of business owners, is far from true at this point. Owner-managers are still in control of their business operations, despite SHE. SHE helps to

CHAPTER SIX

identify community needs, but also offers innovative and strategic ways of providing goods and services desired by customers. In fact, SHE becomes one of the most important functions of SMEs, due to its ability to identify SHNs. This finding further proves that strategic philanthropy brings with it a 'collaborative and co-produced value' between owner-managers and society, which makes 'traditional arguments' against strategic CSR irrelevant (Porter and Kramer, 2006).

Other mainstream CSR pessimists refer to CSR as a self-serving concept that distorts the citizenship agenda (Brenkert, 1996). This thinking undermines the community development role of SHE. This study shows that a co-produced SHEF is a pro-active mechanism for creating healthy relationships, thus avoiding conflicts between the two parties (Porter and Kramer, 2006). This research finds a positive correlation between interviewees engaging with stakeholders via BCSDU's SHEF, and increases in profit margins.

Additionally, Goodpaster (1996) and Jensen (2002, p.45) posited a weak and unfounded case against CSR based on the competing logics of SHNs and business objectives. They argued that improving peoples' standards of living takes long-term, extensive effort, yet most business' 'ultimate' short-term goal is to maximise profits, meaning that owner-managers' intrinsic motives outweigh stakeholder interests. This study shows that SMEs can embed the mechanism whilst contributing towards SD, allowing them to maximise shareholder wealth whilst working together with 'employees, their families, the local community and society at large [stakeholders] to improve their quality of life' (WBCSD, 2000, p.10). Therefore, SHE promotes wealth maximisation, as well as societal development.

6.2.6 Matching SME/CSR and community development

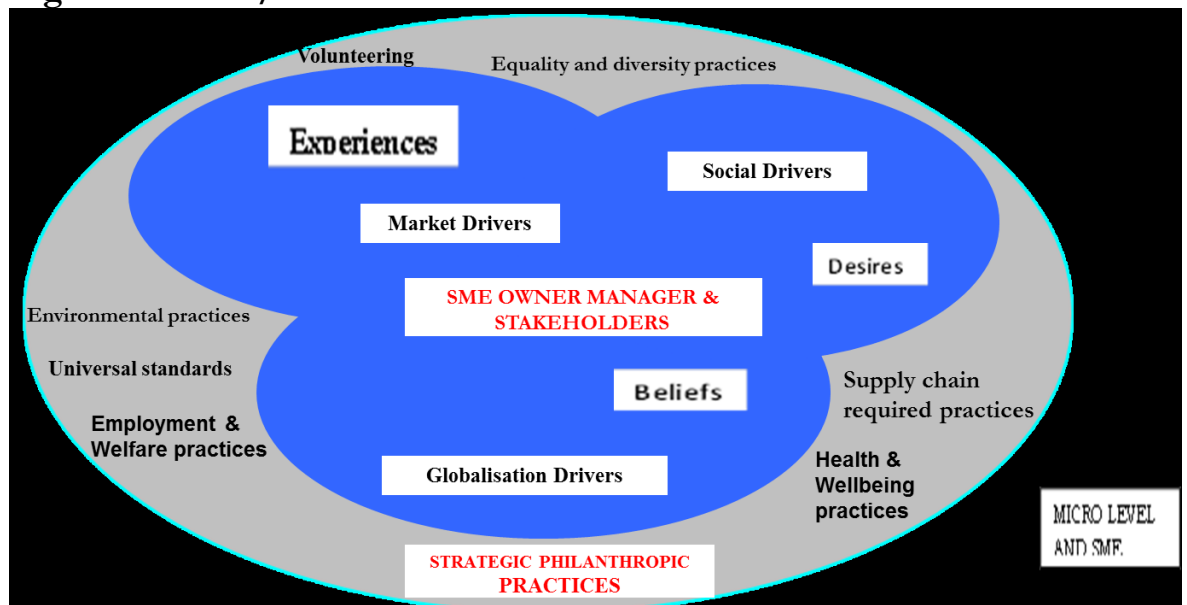
This research evidenced owner-managers' shifts to a more engaged and dynamic CSR model that reflects co-productive methods of responding to SHNs that

CHAPTER SIX

meet their personal and societal expectations. Despite the argument that social responsibility does not always benefit society (Frynas, 2005), empirical data analysis shows SMEs engage in strategic developmental activities such as transfer of managerial expertise and skill, creating employment schemes, and building business linkages by helping other SMEs access international markets.

Strategic development activities are mainly partnerships and collaborations in the form of schemes and activities (like employment skills training, women empowerment, etc.), seeking societal wellbeing and economic linkages between SMEs and communities. This study shows that owner-managers support the community through broader strategic social, economic and environmental practices influenced by both the owner-managers and stakeholders (Figure 6.4).

Figure 6.4 SME/CSR at the micro level



(See Chapter 4 for more detail on the drivers and practices in Figure 6.4)

Source: Compiled by the author.

6.2.6.1 SME/CSR contribution to societal wellbeing

The empirical data supports the debate by CSR optimists (Marsden, 2000; Swift and Zadek, 2002; Utting, 2005) surrounding its potential positive contribution to development and society. SME/CSR activities linked to education, employment and health were viewed as improving the lives of poor communities. Participants engaged in local capacity-building activities are believed to provide social

CHAPTER SIX

solutions to issues identified by SEBs. These activities were accomplished through SMEs' direct engagement or partnership with other stakeholders such as NGOs, government agencies and suppliers.

The study identifies poverty, unemployment, corruption, income inequality, illiteracy, child labour, human rights infringement, and diseases as the most-voiced stakeholder issues. Unsurprisingly, poverty was the most dominant (Fox, 2004; WBCSD, 2010). Participants like Abby have gone into partnership with other SMEs to offer free wealth creation consultancies. Restituta, Masudi and Lynn provide vocational training to women and local youths. Such societal development programmes create a multiplier effect that increases business efficiency, employment and income (WBCSD, 2004).

This wealth-creation thinking initiated by WBCSD that led to a new language of 'sustainable livelihood' amongst businesses was eventually advocated to SMEs in Uganda by BCSDU (Chapter 5). BCSDU focused on ways for businesses to understand and engage with the poor through poverty eradication practices (WBCSD, 2004). This study evidences most participants responding to this call by contributing to the convergence between their business operations and poverty alleviation through Prahalad and Hart's (2002, p.6) Bottom of the Pyramid (BOP) approach. For example, owner-managers like Kenneth were asked by their SEBs to consider local suppliers first within their supply chain. Doing business with local people lifts them from poverty, and improves community capacity and supply chain partnerships between SMEs (Nkiko, 2012). The BOP approach is also evident elsewhere, such as owner-managers offering goods and services on credit to local people, or even other SMEs, which is fundamentally based on trust between owner-managers and stakeholders.

The effect of the BOP model on such activities supports UNDP's (2008) main message that 'doing business with the poor can create value for all'. For example, some SMEs improved productivity (increased profits) by engaging with CSR

CHAPTER SIX

capacity-building activities, which consequently improved the quality of goods and services, as well as increasing employment for local people. Olivia Maggie and Vivian, for example, improved their productivity by being involved in education; Maggie, Max and Lawrence through health promotion; and Kumar Robert and Smith in shelter provision. SME owner-managers engaging with communities to improve social conditions not only contribute to development, but also create competitive advantage for their businesses (Porter and Kramer, 2002).

The interviewees incorporated poverty alleviation practices with capacity-building strategies by understanding stakeholders' values, aspirations, and the contribution that their businesses are capable of making towards stakeholder demands identified by SEBs. Vivian's small bank collaborates with a local clinic to offer a 24-hour drop-in clinic, as demanded by stakeholders. Vivian's recognition that 'the health of bank is inextricably linked with the health of society' motivates her engagement with such practices. Others are engaged in activities focusing on empowering local people with employment skills (Restituta, Masudi, Lynn, Abby, Chris, and Hudson), anticorruption practices, equality and empowerment (Fazil, Roger, Restituta, Raymond, Max, Robert, Vivian, Fazil, and Kenneth), and human rights (Richard, Smith, and Max), respectively, which indirectly and directly alleviate poverty.

Empirical data analysis therefore contrasts the view of mainstream CSR pessimists (Utting 2005; Jenkins 2005; Hamann 2007; Blowfield 2007; Newell and Frynas 2007) that CSR cannot solve social problems. Firstly, the study disagrees with their argument that businesses have 'no business' if they engage in societal developmental practices because they already contribute to society through the payment of tax and the delivery of goods and services (Friedman, 1970; Christian Aid, 2004; Newell and Frynas, 2007). There is empirical evidence that participants' engagement in strategic CSR (through SHE) increases profit margins. Some owner-managers engage in practices that create jobs, establish

CHAPTER SIX

local SME linkages, promote international business standards, etc., leading to profit/wealth maximisation. Thus, SMEs address important social goals whilst targeting areas of competitive context that benefit both the owner-managers and the wider stakeholders (Porter and Kramer, 2002).

It can be observed that most Mainstream CSR pessimists' arguments are based on Friedman's (1970) famous quote that 'there is one and only one social responsibility of business – to [...] increase profits'. The counter-argument is that stakeholders (internal and external) are a useful resource for maximising profits (Donaldson and Preston, 1995). There is evidence of owner-managers increasing profit margins when they strategically engage with their stakeholders using BCSDU's SHEF. Basing on this analogy, today's economic climate extends businesses' social responsibility to incorporate SHNs whilst engaging with CSR activities. Empirical data analysis evidences that BCSDU's SHEF is a foundation for the inclusive business model desired by WBCSD (2010).

Friedman's (1970) conclusion that if charitable contributions are made, they should be made by an individual stockholder or, by extension, individual employees, and not by the corporation, seems to exclude owner-managers. Firstly, data analysis has shown that most owner-managers in this study felt that their businesses are not 'corporate' firms. Secondly, their philanthropic donations can be regarded as neither individual nor SME donations. With the understanding that SME owner-managers 'are' the business, their actions are those of the 'corporation', and vice versa. Therefore, identifying who makes the donation when it comes to SMEs is a 'dilemma', and Friedman's hypothesis falls short when it comes to SME/CSR.

6.2.6.2 SME/CSR contribution to community economic development

This study supports the theoretical perspectives of prominent scholars (Porter, 2001; Zadek et al., 1997; Porter and Kramer, 2002; McWilliams and Siegel, 2001; WBCSD, 2010) that strategic CSR engagements in communities benefit both

CHAPTER SIX

businesses (competitive advantage) and society (uplifting economic standards). For this to be achieved, CSR practices have to align with core business values; however, empirical data analysis evidences that CSR activities in all SMEs in the study are fully diversified, even beyond the core SME function. For example, Vivian's bank not only engages in welfare activities (like offering low-interest loans), which are attached to the bank's core function, but also engages with education and health-related CSR activities, such as sponsoring a drop-in clinic.

Empirical data evidences that nearly all participants have such diversified CSR practices. This diversity promotes long-term sustainable income for the business, while promoting a healthy, educated and sustainable community that boosts local income and living standards. Thus, the empirical findings evidence CSR as a broadened concept, which looks at the long-term strategic options designed not only to benefit communities, but also to create additional benefits beyond owner-manager's values.

Diversified strategic-philanthropic practices equate to more than just donations to local initiatives (Crane et al., 2008). Some participants follow a 'no CSR policies and procedures' approach; thus, it is easy for them to 'bolt on' activities to the core business functions. Many practices were 'one-off' activities, and it was not easy to trace records relating to such practices from the past. Activities such as offering scholarships, providing donations, or harvesting water were mentioned by participants but had not been recorded or were not traceable. However, the data analysis evidences such practices as having an apparent economic impact on local communities.

Chapter 5 presents the researcher's and BCSDU's collaborative work with owner-managers in transforming these one-off traditional, paternalistic and philanthropic CSR activities into a more 'instrumental' concept that focuses on creating competitive advantage, as well as inclusive business solutions to community challenges. Despite the transition being hindered by owner-

CHAPTER SIX

managers' cultural and intrinsic orientations regarding philanthropic CSR in developing countries (Nkiko and Katamba, 2010; Visser, 2008), SME/CSR is evidenced as benefiting both owner-managers and stakeholders.

The empirical data supports CSR's importance, with evidence of SME/CSR engagement increasing cost savings, licences to operate, reputation, learning and innovation, risk management and revenue (UNIDO, 2002; EC, 2001; IISD, 2002; SustainAbility, 2003). The study evidences increased stakeholder pressure for participants to engage in CSR practices that directly benefit local people however, learning and innovation and risk management were the least-favoured motivators for participants to achieve competitive advantage. This could be attributed to participants being driven by intrinsic motives (personal values) over economic ones.

Furthermore, there is strong empirical evidence to support Porter and Kramer's (2002) theoretical perspective that businesses can achieve competitive advantage by adopting strategic CSR as a form of PR, promoting its image or brand through cause-related marketing or high-profile sponsorship. Hudson, for example, sees strategic sports sponsorships and donations as marketing tools that benefit both his business and the community. The danger, however, is that CSR is used to 'conceal' a business' more damaging impacts or irresponsible practices. For Kenneth and Francis, their objective is to enter new markets; thus, they use CSR strategically. Participants attributed such cover-ups – or 'greenwashes' (Visser, 2011) – to PR-driven misdirection, especially in relation to environmental practices.

It has to be stressed, however, that in countries like Uganda with no legal CSR requirement, CSR will inevitably remain strategic for short- or long-term benefits. In today's economic climate with problems like the global credit crunch, businesses have to strategically play this 'fight for the fittest' game. 'Giving back' to the community is also a proven attraction for customers and

CHAPTER SIX

staff (Fox and Prescott, 2004). SMEs have to engage in activities that make good business sense so as to remain good ‘corporate citizens’. Therefore, it is pointless to argue that ‘good CSR’ should not involve strategies leading to win-win benefits for both the community and the SME. There is nothing wrong with a business profiting from contributions to the community, so long as stakeholders get an equal sustainable return, and the negative impacts associated with CSR do not outweigh its benefits. In any case, reviewing the balance between SME and community benefits is what SEBs monitor and evaluate within the SHEF (Chapter 5).

6.2.6.3 SME/CSR as an environmental conservation strategy

The study evidences steady progress in awareness creation or direct involvement of SMEs with environmental practices. Despite the use of outdated technologies, lack of legislation and unstructured environmental management, SMEs have some impact on ecosystems and local communities (Hillary, 2000). Nearly all owner-managers in this study are either concerned with or willing to address environmental issues. For example, participants like Richard create environmental protection awareness by involving children, teachers or mothers from the community. Likewise, activities aimed at reducing energy consumption, and encouraging recycling or re-use are engaged in by owner-managers like Abby. Such activities have had an impact on SMEs as they provide extrinsic CSR benefits, mainly cost savings.

However, the study concurs with Buden’s (2009) view that SMEs have little knowledge of environmental management, as informal procedures are used by participants to manage environmental performance. This can be explained in two ways; in some businesses, such as Lawrence’s, environmental protection is not an integral part of the business, and thus CSR is engaged in purely to fulfil core requirements within the supply chain (Studer et al., 2008; Baden, 2009). This is closely related to the ‘greenwashing’ quandary, whereby owner-managers disseminate information to stakeholders within the supply chain to present

CHAPTER SIX

themselves as environmentally responsible businesses. Secondly, most interviewees cited intrinsic drivers as primary motives for undertaking environmental activities; thus, they are following their conscience and are not interested in formalising CSR. As explained by Fazil, owner-managers ‘used to think it was time-wasting filling in forms as evidence of our business being socially responsible’ and that it is pointless to ‘devote that time to paperwork as opposed to the actual doing’. This supports FSB’s (2007, cited in Buden, 2009) finding that SMEs dislike formal CSR requirements because it hinders the good work they are already doing.

There is a strong empirical link between the SMEs’ environmental protection practices and Hart’s (1995) interpretation of the ‘natural-resource-based theory’ (Wernerfelt, 1984; Barney, 1991), wherein he relates engagement in environmental protection with competitive advantage. The resource-based theory, on the other hand, takes the perspective that valuable, costly-to-copy products and capabilities are the only keys to sustainable competitive advantage. However, Hart argues that resource-based theorists (*ibid.*) ignore the environment, which is a significant driver of resource and capability development. There is empirical support for Hart’s view that the environment plays a significant role for SMEs to achieve competitive advantage.

For example, participants including Dick invest in environmental practices like energy consumption, recycling, and tree planting, and not only achieve business benefits such as lower costs and increased productivity and efficiency, but also reduce the environmental burden of economic activity, which contributes towards the achievement of environmental targets for their communities and for Uganda (discussed below). Also, stakeholders have demanded environmental activities such as provision of safe and clean drinking water, which SMEs have engaged with. In the long run, this leads to reductions in diseases like typhoid and malaria, and increases productivity for local farmers, which fosters accessibility for localised produce and new international markets for SMEs.

CHAPTER SIX

The empirical findings further underpin Hart's (1995, p.998) theoretical view that sustained competitiveness is achieved when businesses invest in issues, which builds their external social control and reputation. Such investments result in enhanced short-term profits, as well as long-term commitments to community development (*ibid.*). The study evidences reputation-building, staff retention and revenue increases as the most-recognised benefits for owner-managers' investments in strategic CSR practices. This means that participants' engagement with CSR practices has put them in better competitive positions.

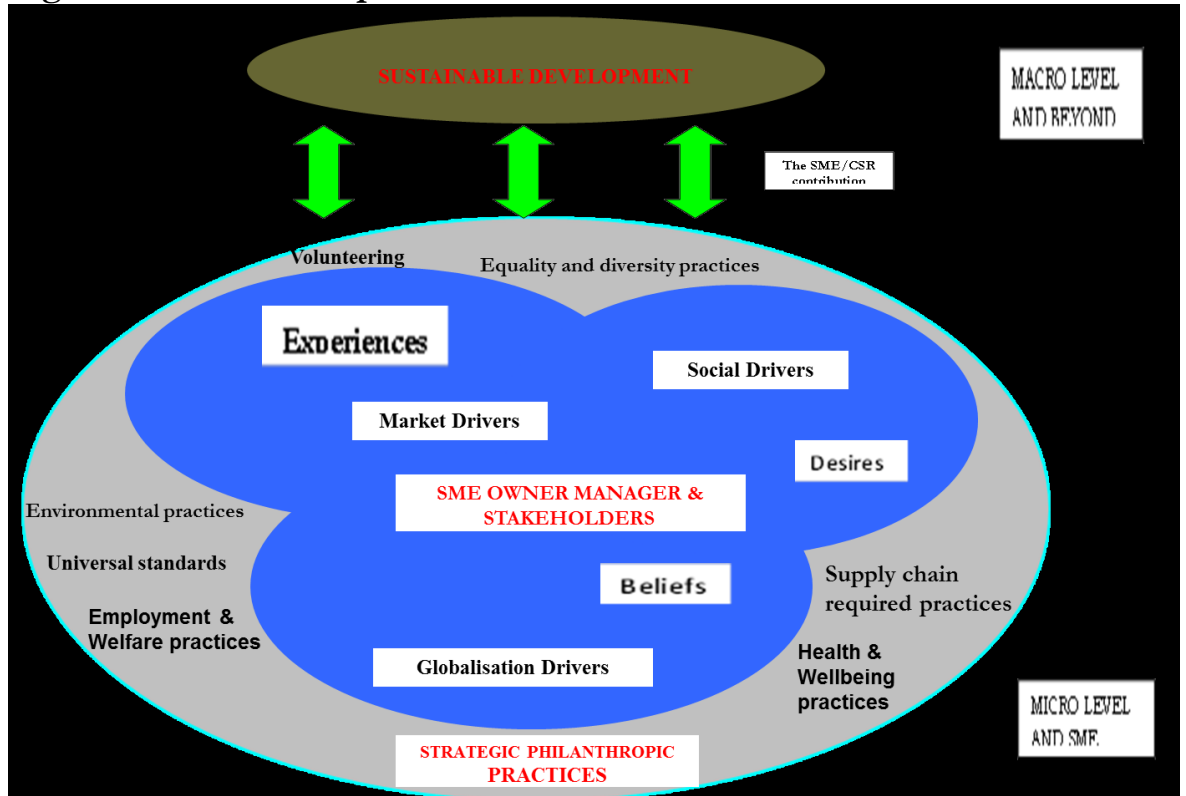
The discussion above highlights the SME/CSR contribution to community development at the micro level (in which they operate). Data analysis identifies social, economic and environmental aspects, wherein SME/CSR practices are instrumental towards development at the community level. The final section of this chapter expands this to a macro level, with an analysis as to whether SME/CSR does contribute towards SD.

6.2.7 SME/CSR contribution to SD

The empirical data analysis supports Hamann's (2007) and Loew et al.'s (2004) view that CSR practices at the micro level (community) have an impact on the social, economic and environmental pillars of SD at the macro level (global). Therefore, the study supports the argument that cumulative efforts by SMEs to engage with CSR substantially contribute to a country's/global SD goals. The local livelihoods and governance systems influenced by SME/CSR practices at the community level (as identified above) have a direct/indirect impact on national/global economic, social and environmental systems. Thus, the research builds on the previously identified contribution that SME/CSR makes towards community development, and evidences SMEs' contributions towards SD (Figure 6.5).

CHAPTER SIX

Figure 6.5 SME/CSR practices' contributions towards SD



(See Chapter 4 for more detail on the drivers and practices in Figure 6.5)

Source: Compiled by the author.

In tracing the linkage between the SME/CSR and SD concepts, Figure 6.5 represents the 'journey' of this research, and summarises owner-managers' contributions to SD. The model shows that owner-managers' driver to engage in philanthropy at the micro (local) level contribute towards SD at the macro (national or even global) level.

Despite Crane et al.'s (2008) caution on the likely difficulty of integrating empirical and normative aspects of CSR in developing a theory, the empirical data analysis relates to both SME/CSR and SD as having normative foundations. In relation to SD, the Brundtland Report gave human beings and their needs high priority (WCED, 1987; Steurer, 2005). Equally, the empirical analysis shows that owner-managers and stakeholders are the key CSR drivers; thus, 'human beings' have a prime effect on both concepts.

The study therefore claims that the SME/CSR contribution towards SD is primarily dependent on the consideration and fulfilment of human needs

CHAPTER SIX

(beyond basic needs), which, as exhibited in this study, are intrinsic CSR drivers for owner-managers. It has to be emphasised, however, that these values/needs differ from one owner-manager to another, and from one stakeholder group to the next. This highlights that diversified SME/CSR practices' contributions towards SD usually go unnoticed (Buden, 2009). It is concluded in the literature (Steurer, 2005; World Bank, 2002) that CSR and SD are highly subjective concepts, and therefore their effects should not only be ecological, but also consider societal consensus-finding processes.

Another theoretical perspective on the relationship between SME/CSR and SD is that both concepts (CSR and SD) rely heavily on SHE. According to OECD (2001) SHE opens debates on innovative ideas and sources of information, which helps to develop a consensus on the need for action, and leads to better implementation of sustainable targets at the macro-economic level. Local government authorities in the UK, for example, are known to engage with stakeholders, whilst making formal changes to the ways services are delivered. Similarly, the empirical data shows the effects of the CPSEM, not only in support of the normative aspect of CSR and SD, but also as a network of information-sharing between owner-managers and stakeholders.

The empirical data further shows that SME/CSR and SD aim to solve economic, social and environmental issues. CSR has been presented as an SME-guiding practice to address short- and long-term economic, social and environmental targets, and SD similarly stresses these three pillars in relation to broader well-being issues in the long run (Dyllick and Hockerts, 2002). This is not to suggest that the two concepts are the same. The empirical data analysis has identified major differences in the way they are understood, although it supports Loew et al.'s (2004) observation that they are closely connected in relating to economic, social and environmental spheres. SD is geared towards the whole society or country (macro level) (Figure 6.5), whereas CSR relates to the micro level; however, its contribution does influence the macro level. Thus, the research

CHAPTER SIX

supports an earlier empirical conclusion from a large-business perspective that CSR is the contribution businesses make towards SD (EC, 2001, 2002; Loew et al., 2004; ISO, 2004; DTI, 2004).

Going back to Kates et al.'s (2005) alternative way of defining SD, other than in relation to what it seeks to achieve, the study looks at SD based on how it is measured in exploring the final research objective. The objective is to explore whether SMEs' engagement with CSR contributes towards the achievement of SD goals in the sub-Saharan region. The next section adopts the UNs' MDGs as a short-term (2015) measure of SD.

6.2.8 MDGs: SME/CSR contribution to SD

Traditionally, MDGs provide an internationally accepted framework for all development actors to coordinate their strategies (WBCSD, 2005), and BCSDU's SME/CSR initiative is no different. The SME/CSR practices referred to in this section were presented in Chapters 4 and 5 and discussed in Chapter 6, and the empirical data has evidenced SME/CSR's cumulative contribution towards community development (micro level). It is this impact at the micro level that is directly or indirectly linked to MDG targets to contribute to SD overall.

The study found, however, that participants' contributions towards SD not only depend on the specific MDG in question, but are also a combination of other variables, such as SME sector, size (defined as number of employees in this study), intrinsic and extrinsic CSR drivers and nature of CSR engagement (sole or partnership). SME/CSR practices are mapped against the MDGs, to show the SME contribution towards SD, as illustrated in the SME/CSR Development Matrix (Appendix B), and discussed below.

Goal 1: eradicate extreme poverty and hunger

Participants' engagement in SME/CSR practices can be widely expanded to show how they are contributing towards the achievement of Goal 1 (see

CHAPTER SIX

Appendix B). Goal 1 is directed towards helping people at the BOP (Prahalad and Hart, 2002) living mainly in developing countries like Uganda. Section 6.2.6.1 discusses how participants engage with socially responsible practices that lift local people from poverty. Some owner-managers in this study invest in anti-poverty programmes, as desired by stakeholders.

SMEs in this study engage in CSR activities that provide basic services and products such as clean and safe water, nutrition, healthcare, housing, education, economic opportunities, building supplier and buyer relationships and other business linkages with MNCs, income-generating/credit opportunities, and new technologies to local traders and farmers. Some participants like Roger and John also supported NGOs in delivering broad wealth-creation opportunities identified during SEBs.

In addition to traditional philanthropic donations, owner-managers such as Hudson strategically engages in strategic CSR practices aimed at building sustainable local capacity programmes such as allowing staff to share their experiences and skills with local people, instead of relying on NGOs and donor agencies.

Table 4.1 identified that most participants from agriculture, horticulture and fisheries sectors – which employ more than three-quarters of the Ugandan workforce (AFDB, 2005) – engage in poverty eradication activities. Interviewees like John offer training in modern farming methods and skills, while interviewees in others sectors (e.g. Eli and Bernard) work in partnership with external stakeholders such as the government to improve infrastructure. Targets 1 and 2 go hand in hand, since a poverty-free community will also be hunger free (UN, 2011).

In Uganda, there has been a very slight reduction in the proportion of people living on less than \$1.25 a day – from 58% in 1992 to 31% in 2005 (MFPED,

CHAPTER SIX

2010; UN, 2011). Despite this slow progress, the overall poverty rate is still expected to fall below 10% by 2015, indicating that the MDG target might be met (MFPED, 2010). However, this projection can only be achieved if a collective contribution is made towards both targets from everyone. In failing and corrupt developing countries like Uganda, businesses' contributions (SME inclusive) should supplement other agents to deliver these projections, rather than leaving such targets or challenges to the government.

Goal 2: achieve universal primary education

WBCSD (2004) asserts that investments in education can lead to better healthcare and nutrition, declining birth rates, poverty reduction and improved economic performance at both micro and macro levels. Data analysis shows that the majority of participants work towards targets associated with increasing access to or the quality of education, or improving information technology in schools. Some, for instance, independently or collaboratively work with schools, and owner-managers such as Olivia run scholarship programmes for children to help achieve universal primary education.

Such SME/CSR practices represent an optimistic view towards the achievement of Goal 2 (Appendix J). SMEs' supplementary efforts to the government's and large businesses' contribution represent a net primary education enrolment ratio increase from 86% in 2000 to 93% in 2009 (MFPED, 2010). In Uganda, enrolment in primary education has increased slowly as a result of the government's effort to introduce universal primary education, coupled with the private sector and other local stakeholders' partnership working with international donor agencies towards the achievement of the MDGs.

Goal 3: promote gender equality and empower women

Data analysis shows that most participants engage in activities aimed not only at women empowerment but also equal opportunities and recognition of women as significant employees, businesspeople and reputable stakeholders. Some

CHAPTER SIX

interviewees engage in women empowerment practices as a way of rewarding women in communities for their crucial contributions towards community development, education, health and household earnings, plus conflict resolution and prevention (Ramsbotham et al., 2011).

Despite not having a direct linkage to most SMEs' core business functions, some participants sponsor women's capacity-building and networking programmes in response to SEB demands. They engage in CSR activities that strengthen women's economic capacity as entrepreneurs, employees and producers. For example, Raymond and Roger financially support women's groups, as well as offering extra advice and guidelines on how to improve their products. Ronnie sponsors women and children in the Healthy First Programme at the local health club, and Vivian offers scholarships to female students as a gender equality scheme. Similarly, Restituta donates commodities that help female entrepreneurs at the start-up stage, which develops female entrepreneurship and builds networks to identify both local and global market opportunities.

Participants like Badel, Fazil, Maggie, John, Raymond and Roger in the agriculture, horticulture and fisheries sectors, as well as Eli employ large numbers of women directly or along their supply chain. Overall, employing women helps to tackle sexual harassment, sexual exploitation and trafficking (Visser, 2011). Uganda – and in fact the whole of sub-Saharan Africa – has also seen recent progress with the gender parity index (see glossary) for gross enrolment ratio of primary girls increasing from 85 to 92. However, most girls do not go on to secondary or tertiary education – the boys-girls enrolment ratios between 1999 and 2009 are 82:79 and 67:63 (UN, 2011). Despite a large contribution from SMEs in this study, these figures show a need for more collaborative contributions from all stakeholders to be on target in 2015.

Goal 4: reduce child mortality

CHAPTER SIX

The achievement of this Goal 4 (Appendix J) rests on everyone complementing the government's efforts to address the leading causes of child deaths –. Over 29,000 children under the age of five die every day, mainly from preventable diseases such as measles, malaria and tetanus, or from malnutrition; conflicts; HIV/AIDS; and a lack of safe water and sanitation (UNICEF, 2008). It is further estimated that 6 million of the 11 million children who die each year could be saved by low-tech, evidence-based, cost-effective measures such as vaccines, antibiotics, micronutrient supplementation, insecticide-treated bed nets and improved family care and breastfeeding practices (ibid.).

With such worrying statistics, participating SMEs – especially those in the pharmaceutical and food sectors (Lynn and Ronnie respectively) – engage in practices believed to reduce child mortality. Lynn's pharmacy provides affordable/free medicine to mothers, as well as providing mobile HIV/AIDS testing. Ronnie's restaurant provides nutritional food on their menus and the Healthy First Programme to poor communities. They run such practices in partnership with other stakeholders, such as the government and NGOs, with the aim of scaling up cost-effective health and nutrition interventions to reduce the number of neonatal and child deaths. Other SMEs, such as Maggie, also contribute toward Goal 4 by increasing access to clean water supplies for children, which reduces water-borne diseases.

A few SMEs in this study work in joint ventures or partnerships with other stakeholders, like local institutions that support education and community projects that promote basic hygiene and sanitation, improve nutrition, and ensure access to basic medicines. For example, Max collaboratively runs Prevention First and Prevention Doctor radio programmes, which address preventative measures of vector diseases and hygiene for mothers; and sex education and HIV/AIDS-awareness programmes for children, respectively.

CHAPTER SIX

Some participants, like Fazil, offer scholarships to female students. It is understood that, in developing regions, education of mothers is key in determining whether their children will survive their first five years of life (UN, 2011). Other owner-managers engage with CSR activities that increase equity in terms of the way their businesses are run, such as providing affordable health and consumable products to people in their community. Restituta and Lynn's small businesses, for example, have gone into partnership with other stakeholders to help families learn skills and basic knowledge in caring for newborns, and provide family planning and sexually transmitted infections testing within the community. Such practices have reduced the number of children who die in homes without being seen by a doctor.

Sub-Saharan Africa has the highest levels of under-five mortality: one in eight children die before the age of five, mainly due to HIV/AIDS (129 deaths per 1,000 live births) – nearly twice the average in developing regions overall (UN, 2011). Data analysis relates a number of participants' intrinsic CSR drivers with respect to AIDS: Sam, Badel, Chris, Eli and Lynn all provide sponsorship to programmes for AIDS orphans. Such collaborative efforts by businesses (small and large) and external stakeholders (like the government) have yielded rewards towards Goal 4 targets, although further efforts are needed. While the 1999 under-five mortality rate equalled 156 deaths per 1,000 live births, it is predicted that this rate will 56 in 2015 (MFPED, 2010).

Goal 5: improve maternal health

According to the UN (2011), a woman dies from complications in childbirth every minute; in sub-Saharan Africa, a woman has a 1 in 16 chance of dying during pregnancy or childbirth, compared to a 1 in 4,000 risk in a developing country. However, the largest proportion of such deaths are caused by obstetric haemorrhage, mostly during or just after delivery, followed by eclampsia, sepsis, complications from unsafe abortions, and other diseases such as malaria and HIV, which are avoidable or treatable.

CHAPTER SIX

In Uganda, the workforce in sectors including leisure and tourism, agriculture, horticulture and fisheries, and food and drinks, have the highest proportion of female employees (AFDB, 2005). In this research, participants in these sectors engage in CSR activities that counter direct causes of maternal deaths. Some provide philanthropic donations or sponsor reproductive-health programmes and products. For example, Badel donated land to a local clinic to help mothers and pregnant women, and Olivia offers post-natal financial support to mothers; Max's radio station broadcasts a live surgery for mothers and pregnant women; and Vivian sponsors a 24-hour free emergency drop-in clinic.

Others contribute to the achievement of Goal 5 indirectly; for example, Adam and Kumar sponsor blood donation campaigns, Vivian and Sam engage with the education of mothers and females; Badel, Olivia, Dick, Eli, Fazil and Maggie engage in creating awareness and preventing the causes of HIV/AIDS and malaria; and Lynn and Smith sponsor hygiene and sanitation programmes. Others, like Ronnie and Smith, work in partnership with agencies such as local health clubs and schools, respectively, to combat discrimination between men and women in relation to community and personal health services. These differences are created by cultural and religious beliefs which hinder open engagement and proactive action on reproductive and health issues in rural parts of Uganda. Via such local community services, women and girls are able to attend gyms, and proactive classes on reproductive-health issues.

Overall, the interviewees engage in activities that improve women's health and education. Such practices have contributed towards improved ratios of mother-to-child transmission of HIV, girls' school attendance, and emergency obstetric care. Despite businesses' progress in tackling some of these preventable complications in other regions, there is insufficient progress to achieve MDG 5 in Uganda. However, the UN (2011) and MFPED (2010) indicates that the maternal mortality ratio dropped by just 34% between 1990 and 2008. This means that the decline has not been fast enough to ensure that Uganda is on

CHAPTER SIX

track to meet MDG 5 (Appendix J), despite SMEs and other stakeholders' collaborative efforts.

Goal 6: combat HIV/AIDS, malaria and other diseases

According to the UN (2011), the HIV incidence rate fell significantly in sub-Saharan Africa, from 0.57 to 0.4, between 2001 and 2009; this means that four adults out of 1,000 were newly infected in 2009 in sub-Sahara Africa, equating to a total of 1.8 million new infections. The majority of those affected are in their early working age (16–25), and are women and young people, who are believed to lack comprehensive knowledge of HIV. Businesses (large and small) have responded to suggestions that poor employee health has a direct impact on productivity (increasing absenteeism and staff turnover, loss of skills and declining morale); increases costs (including training and recruiting, insurance cover, retirement funds and funeral costs); and reduces profits and investment (by adversely affecting consumer and business confidence) (Crane et al., 2008; UNIDO, 2002).

Owner-managers in this study have joined their large business counterparts in engaging in CSR activities that promote health and prevent disease, not only to their employees but also the community. These were common demands during SEB meetings for most interviewees. Lynn, Vivian and Masudi are engaged in arranging pricing strategies for local people to receive antiretroviral treatment for HIV or AIDS, as well as running a mobile HIV/AIDS testing van and offering free condoms, respectively. A few other participants, like Adam, are involved with creating awareness of HIV/AIDS, malaria and other diseases. SMEs engage in organising or sponsoring campaigns on HIV/AIDS prevention and treatment, and gender-sensitive health services that provide voluntary testing and counselling. Such awareness is partly responsible for the steady progress in reducing HIV/AIDS, malaria, measles, polio and tuberculosis in Uganda.

CHAPTER SIX

Other CSR activities participants engage in include the sponsorship of children orphaned by AIDS to access education and homes. Kenneth, Lynn and Eli are all involved in the promotion and sponsorship of family, community and national programmes that help families and children who have lost one or both parents to HIV/AIDS. Overall, participants' philanthropic engagements with foundations, emergency relief and community programmes, as well as sponsorships of community AIDS and orphan projects, have contributed to the steady progress regarding reduction of HIV and diseases in sub-Saharan Africa. However, the MFPED (2010) shows an upward trend in the number of new infections since the late 1990s, with an estimated 130,000 people infected with HIV in 2010 (ibid). However, increased business (SME inclusive) CSR engagement could bring the country back on target by 2015.

Goal 7: ensure environmental sustainability

In line with Hart's (1995) view that environmental protection practices play a significant role in businesses' achievement of competitive advantage, SMEs in the study proactively engage in environmental protection activities to save costs, engage in efficient production processes, product and service innovation, access new markets, and improve risk management and stakeholder relations.

Due to these expected outcomes, participants in the agriculture, forestry, fisheries, construction, chemicals, travel and tourism sectors actively engage in CSR practices aimed at environmental sustainability. Similarly, others in financial, education, information technology and professional services engage in sustainable production and consumption practices through philanthropic sponsorship of community-private partnerships aimed at environmental sustainability. Olivia supports school-level environmental curriculum development; Florence engages in community environmental initiatives through philanthropic funding; John, Kumar, Hudson and Max actively engage in both international and national environmental codes and campaigns; Abby, George,

CHAPTER SIX

John and Kumar engage in CSR practices that reduce energy consumption, and Richard, Lawrence, Max, Smith and Dick promote recycling in their businesses.

Others engage in practices that aim to halve the proportion of people without access to safe drinking water by 2015. In sub-Sahara African countries like Uganda, four out of five children suffer from water-related diseases like cholera and infant diarrhoea, and are either have to use surface water or walk long distances for safe and clean water, which, in effect, prevents them from attending school (UN, 2011). Most participants such as Chris Fazil, work in partnership with other stakeholders to provide or create awareness of the need for safe and clean drinking water, irrigation water, etc. To achieve the safe water provision target, the minority of participants, such as Raymond engage in preserving and protecting nature and cultural heritage by sponsoring and promoting initiatives such as forest reservation.

Empirical data analysis also evidences some participants' direct and indirect contributions towards local peoples' housing situations. Some owner-managers, such as George, are directly involved in either philanthropic giving or partnership with other stakeholders to improve local housing services. Others, like Eli engage in priorities that improve housing services in deprived areas. These activities are mainly geared towards infrastructural improvement of water and sanitation facilities, health and education. Some owner-managers, like Richard, also engage in joint partnerships with external stakeholders such as the government to promote access to affordable land with secure tenure to build homes, schools, libraries and post offices.

Progress to improve access to safe drinking water is on track in sub-Saharan Africa, including Uganda where it is estimated that people using improved drinking water sources nearly doubled from 252 million in 1990 to 492 million in 2008 (UN, 2011). Equally, Uganda is on target towards improvements to the lives of at least 100 million slum dwellers (MFPED, 2010). Despite SMEs'

CHAPTER SIX

contributions towards environmental sustainability, the UN still predicts that the world is likely to surpass the drinking water target with more than one in ten people with access by 2015; thus the region needs to maintain this collaborative effort to stay on target by 2015.

Goal 8: develop a global partnership for development

The private sector also contributes to Goal 8 by: developing an open, rule-based, predictable, non-discriminatory trading and financial system; in cooperation with governments, developing and implementing strategies for decent and productive work for youth; in co-operation with pharmaceutical companies, providing access to affordable drugs in developing countries; and making available new technologies. The goal calls for partnerships and collaborations between businesses (small and large) and their multi-stakeholders, such as governments, to address local barriers to youth employment, access to affordable drugs and new technologies.

BCSDU advocates all businesses, especially SMEs, to build linkages by increasing the capacity and strength of local SME associations in Uganda, and through international supply chain networks. BCSDU-SME members follow a code of conduct which directs common working standards across their businesses. For example, members benefit from corporate governance and CSR regulatory requirements within their respective supply chains. Such collaborative efforts between owner-managers and supply-chain stakeholders, in addition to external stakeholders such as BCSDU and the government, contribute towards a favourable trading and financial system which tackles bribery, corruption, labour standards and human rights in Uganda.

SMEs in this study engage with education and vocational training for local youths. This offers equal opportunity access to employment, especially for disadvantaged youths such as HIV orphans and girls. Most interviewees make a

CHAPTER SIX

contribution to this goal either by employing young people directly or by running apprenticeship programmes, as is the case with Restituta and Vivian.

A few other participants, such as Lawrence, engage in philanthropic sponsorship of initiatives intended to increase youth employment. Through these investments, some participants enter into partnerships with other stakeholders to foster local youth employability programmes, such as Eli's Catch them Young initiative, which focuses on the development of people aged 15-24.

The data also shows that owner-managers contribute towards Goal 8 by engaging in practices that improve access to affordable drugs. SMEs that contribute to this target work in partnerships with stakeholders in a transparent and open manner with SEBs to improve access to medicine for diseases such as HIV/AIDS and malaria. With the exception of Lynn's pharmaceutical business, which is directly engaged in drug donations through her mobile HIV/AIDS-testing programme, the majority (e.g. Adam, Badel and Vivian) indirectly work in partnership with other local programmes by sponsoring or creating awareness of how local people can access essential drugs.

A small number of participants contribute towards Goal 8 by improving access to technology within local communities. Small businesses directly or indirectly engage in improving access to affordable equipment and appropriate software, Internet connections, and technical assistance and computer training. Chris in the IT sector, for example, offers low-cost IT solutions to poor people as a way of bridging the 'digital divide' between the poor and the rich. Others, like Olivia, work in partnership with other community projects by donating IT hardware resources like computers and printers, or expertise through running courses and consultation clinics to local SMEs. Access to information opens up societies to allow everyone to be accountable for their actions, and creates good governance and transparency, which may reduce corruption in Uganda.

CHAPTER SIX

The UN (2011) reports that two-thirds of the world's population has yet to gain access to the Internet, although mobile-phone users in Africa are gradually increasing, which overall reduces the deficit. Nearly one-third of every household with a working individual has access to a mobile phone with Internet capabilities (*ibid.*). ICT is a major mode of communication, through which different development needs amongst the masses in sub-Saharan Africa can be transferred. However, Goal 8 can only be achieved through collaborative efforts to increase access to ICT through appropriate technical assistance, access to computers and the Internet, which will improve education, build skills and contribute to health, social progress and enterprise development in Africa.

This section has shown ways (although basic and informal in nature at times) in which SMEs have complemented the government's sustained and more focused intervention in accomplishing the universally agreed MDGs aimed at achieving SD by 2015. However, it is unlikely that these efforts are enough to deliver the set targets on time, despite the UN's adamant belief otherwise (UN, 2011). The problem does not lie in a lack of will or progress, but in other underlying and unrelated issues. Whilst exploring whether SME/CSR practices contribute towards SD, the researcher observed some problems that make the achievement of SD even more difficult for most sub-Saharan countries.

Firstly, despite differences in countries' populations, birth rates, death rates and income per capita, the MDGs are universally set and thus treat all countries, including sub-Saharan ones, alike. There has been an improvement in living standards, however most sub-Saharan countries are amongst the poorest on the planet (WBG, 2006). Therefore, it is unrealistic to set the same targets or expect comparable results in the same duration (by 2015). Secondly, as experienced throughout this study, data regarding progress, or lack of it, is not available in every country, or is outdated. For example, the UN (2011) provides the most current figures, but data for countries urgently needing serious dramatic changes in the pace of their progress, such as Somalia, Sudan and some cases Uganda, is

CHAPTER SIX

not available or is based on 2005 figures. This means achievement of targets will never be definitive since analysis is based on data that is not representative of the current situation in sub-Saharan Africa.

Thirdly, most sub-Sahara African countries have joined the bandwagon in transforming their traditional agricultural nations to seemingly favourable industrial states. This has resulted in more people flooding cities in search of work, and what may be referred to as urban investment. There has also been a rise in the number of SMEs in those cities, due to the lower set-up capital required. Owners-managers of such SMEs lack business management skills, resulting in failures to surpass their first year of operation (Tushabomwe-Kazooba, 2006). For example, Uganda is traditionally recognised as an agricultural nation, and the manufacturing sector has struggled with a growth of only 2% since 1965 (WBG, 2006); thus, choosing the advanced model of industrialisation, rather than what 'nature' and capability empowers, has slowed farm output and foreign exports and thus increased the country's foreign debt and over-reliance on donations and aid. This is not a good sign for a state striving to achieve MDGs and SD. Specific targets can only be achieved for sub-Saharan African countries by scaling up known capabilities and supporting and investing heavily in traditional sectors such as agriculture.

Another problem is that sub-Sahara African states have yet to recognise the benefits associated with collaborative working between private and public sectors towards SD goals. Most citizens still believe that development is the government's responsibility (Visser, 2008), and this mentality hinders multilateral collaborative mechanisms to complement governments' efforts. Positive lessons can be drawn from SMEs in this study on how different sectors can engage with wider stakeholders to achieve specific goals, rather than waiting for the government to kick-start everything. It is equally important that developed economies deliver their commitments to Africa on debt relief, generous aid,

CHAPTER SIX

opening markets for wider trade opportunities, and increasing investment in the region.

6.3 Chapter summary

The empirical findings and their theoretical underpinnings discussed above are summarised below, and form the basis for the conclusion.

- CSR amongst SME owner-managers is individually interpreted based on personal development values.
- SME owner-managers' personal values (experiences, desires and beliefs) and Stakeholder activism principally motivate philanthropic practices.
- BCSDU's SHEF is a mechanism through which owner-managers and stakeholders co-produce solutions to development challenges for their community that, overall, contributes to SD.

CHAPTER SEVEN

CHAPTER 7: CONCLUSIONS

7.1 Introduction

This chapter summarises the findings, implications and limitations of this research, and makes further research suggestions based on the analysis from the previous chapters.

Chapter Objectives

1. Summarise the findings in relation to the knowledge that emerges from this research.
2. Outline and discuss the potential implications this research has on WBCSD/BCSDU and practitioners in general.
3. Recommend and discuss further research areas.

7.2 Findings and associated contribution to knowledge

In Chapter 1, it was noted that the study has implications for both knowledge and practice, and the next section summaries the key findings and their related contributions to knowledge.

7.2.1 Finding 1: the meaning of CSR amongst SME owner-managers

With the objective of developing an understanding of what CSR means to SME owner-managers, a critical review of CSR theoretical understandings in literature, such as political, integrative, instrumental and ethical theories, was undertaken. The data analysis, supported by the literature, offers contradictory interpretations of meanings for the CSR context. Firstly, concepts such as corporate responsibility, corporate citizenship, ethics and 'TBL' were used analogously to CSR. The second ambiguity stems from the term 'CSR' not being fit for purpose for all businesses. The word 'corporate' invokes an emphasis on MNCs or large businesses, thus averting SMEs from understanding and engaging with it.

With such ambiguity, CSR meant something different to each owner-manager (Zenisek, 1979). Owner-managers have different perspectives regarding their understanding of CSR, which is not only as an intrinsically satisfying concept,

CHAPTER SEVEN

but also relating to wider stakeholders' needs (extrinsic motive). The principal ideas of SME owner-managers' CSR definitions underpinning this finding are that:

1. CSR is traditionally traced from owner-managers' self-satisfaction values such as culture, power, religion and status in their respective communities. Managers regarded CSR as an act of 'doing the right thing', which in most cases diverted to those intrinsically satisfying personal motives.
2. CSR is responsive to a range of stakeholders' needs, and not only those of owner-managers'. Data analysis deduced other themes such as 'paying back to society', 'accountability' and 'responsibility', which depict owner-managers' accepted wisdom relating CSR to SMEs' responsibilities towards meeting SHNs. Stakeholders also expect, desire and require SMEs' responses to needs in society (Carroll, 1991).
3. CSR is a collaborative strategy between stakeholders and businesses aimed at solving developmental challenges in society. Owner-managers strategically engage in CSR in response to SHNs in tackling developmental challenges in communities. The 'impact and development' theme from managers' definitions signifies that CSR is a business strategy intended to solve development needs in communities.

Despite the potential biased active influence of WBCSD/BCSDU and the researcher's active involvement on owner-managers' diverse nature of CSR understanding, CSR was principally considered a community developmental tool, based on the three underlying principles above. These build on the WBCSD's (2002) CSR definition, except that the latter does not explain CSR's practicability. In relation to the principles identified by this study, WBCSD's (ibid.) CSR definition is: 'the commitment of businesses [bullet point 1 above] to contribute to sustainable economic development [3], working with employees, their families, the local community and society at large [2] to improve their

CHAPTER SEVEN

quality of life'. Despite this being the definition referred to most by owner-managers in this study, their understanding of the notion was not context-specific (Van-Marrewijk, 2003). For example, every participant adapted a similar SHEF in identifying SHNs, which were often distinct to specific sectors, intrinsic values and communities; therefore, their CSR understanding was specific to the respective activities engaged with, and SHNs. This kind of relationship makes the understanding of CSR an open but context-independent notion (since it draws on and needs to be embedded in different historical and cultural traditions).

Despite CSR being a context-independent, most owner-managers' CSR definitions were skewed towards the five dimensions in WBCSD's (2002) definition. This implies that WBCSD's (ibid.) definition should become generally accepted; however, it has faced criticisms (Frynas, 2005; Blowfield, 2008), such as its recommendation for businesses to work together with stakeholders, without specific and practical guidelines on how this can be achieved. Without these guidelines, businesses continue to work with stakeholders via different mechanisms. This study aims to clarify the definition, while closing the knowledge gap by suggesting an SHEF to supplement the collaborative work between businesses and stakeholders in WBCSD's (2002) definition. The framework advocates the CSEM as a means through which SMEs and other businesses can engage with stakeholders.

7.2.2 Finding 2: drivers and nature of SME/CSR

The study argues that commercial imperatives are not the sole drivers of CSR, despite being the most common (Hemingway, 2005, p.233). It was found that a combination of SME owner-manager and stakeholder activism is the key CSR driver. It is proposed that formal CSR adoption by SMEs is associated with fulfilling managers' desires, experiences and beliefs. CSR at a business level represents a gap in the literature, which this study helps to address. Despite CSR's deserved recognition as a business principle amongst mainstream scholars

CHAPTER SEVEN

and business leaders, most literature still focuses solely on a business-level context (Davis, 1973; Garriga and Melé, 2004; Visser, 2008), overlooking the firm ‘owners’. This research, therefore, helps to close the CSR-individual gap in the literature in the following ways:

1. It analyses the changing relationships between CSR motives in relation to SMEs. The findings support De Bruin et al.’s (2007) view that understanding the individual at the heart of the business is the basis for understanding the business’ direction. In particular, the study suggests that understanding owner-managers’ intrinsic drivers (desires, experiences and beliefs) is key in identifying the CSR practices the business is likely to engage with.
2. The research shows the importance of psychological application to SME owner-managers in understanding why they engage in CSR. Evidence put forward by Reiss (2002), for example, identifies what intrinsically drives owner-managers towards CSR. Owner-managers in this study are driven by their families (Ken, Masudi, Roger, Max, Fazil, George, Eli, Lynn, Restituta), status (Max, Florence, Vivian, Hudson), idealism (Kumar, Robert, Florence, Vivian, Max) and vengeance (Maggie, Fazil). Similarly, Forsyth’s (1992) and Smith’s (1994) identifications of individual beliefs such as religion (Ben, Masudi, Badel, Kumar) and culture (Raymond, Roger, Vivian, Kumar), in addition to Juliusson et al.’s (2005) identified experiences such as childhood experiences (Abby, Restituta, Sam, Hudson, Olivia, George), adulthood experiences (Restituta, Sam, Fazil, Abby, Ben, Eli, Lynn, Kenneth, Hudson, Fazil) confirms that there is a psychological element driving SMEs’ CSR engagement.
3. The study further identifies stakeholders as the other set of idiosyncratic CSR drivers in addition to owner-managers’ personal values. What is perhaps surprising is how unambiguous this CSR driver is, compared to those in the literature. The drivers in this study are community needs (Figure 5.2), which forms the basis of the overall

CHAPTER SEVEN

SME/CSR → SD model. Unlike in literature (Davis, 1973; Garriga and Melé, 2004; Visser, 2008), wherein CSR drivers are internal and external commercial imperatives, this research has evidenced that SME/CSR drivers include a combination of individualist intrinsic (personal values) and extrinsic (stakeholder pressures) motives of owner-managers.

In addition to highlighting the importance of recognising stakeholder activism and owner-managers' personal values as the key SME/CSR drivers, this study emphasises that philanthropy is a traditional CSR activity SMEs engage with in developing countries (Visser, 2008). Activities range from charitable aid or cash donations, to involvement in community institutions. However, stakeholder activism nurtures new means of SME engagement with society, in ways that benefit both the firm and stakeholders. Thus, this research concludes that strategic philanthropic practices (through partnerships and networks of engagement with external stakeholders) are the short- and long-term activities engaged in by SMEs in Uganda, and perhaps the whole of sub-Saharan Africa. Therefore, strategic philanthropy becomes not just a 'type' of CSR to most SMEs, but a central and 'inclusive' element/model of their day-to-day running in such a competitive environment, where stakeholders are the new community representatives in the absence of governmental concern.

7.2.3 Finding 3: CSR is independent of business size, sector and location

The research presents contrary evidence to OE-SME (2002) and Thompson and Smith's (1991) supposition that CSR is subject to a business' 'size'. Table 4.1 (Chapter 4) shows that firm size does not necessarily determine the context, nature and extent of the firm's social responsibility activities. SMEs clearly have even more potential than 'larger' businesses to engage in CSR practices that affect local development.

CHAPTER SEVEN

Overall, the study confirms that all businesses (large or small) can potentially engage with the CSR concept, despite differences in their modes of engagement. It can be concluded that CSR implies ‘something’ to all businesses, regardless of their size, though the extent to which they can engage differs. The study has further substantially verified that the drivers and patterns of CSR in large businesses are transferable to SMEs, and vice versa. This means that there is no ‘one-size-fits-all’ CSR approach, and though all businesses can and do engage with CSR. However, it has to be emphasised that whilst company size might not matter in terms of business engagement in CSR in Uganda and probably most Sub Sahara African countries, it might very well matter in terms and ways through which large and small businesses engage in CSR of the types of CSR activities companies engage in (Asongu, 2007). In Uganda, for instance, Tallow Oil PLC built a school in Kaiso-Tonya (Nkiko and Katamba, 2010), while SME owner-managers like Badel, Kenneth, Lynn, Sam and Vivian have provided education scholarships to local children to go to such schools. This implies that both large and small businesses are engaging in social responsibility practices at different levels.

The research does not suggest that there are no general differences between the way large and small firms conduct or relate to CSR. There are, in fact, variations in the CSR pattern depending on capacity; level of stakeholder activism; governance and owners’ personal values, although these can be analogous at times. A number of participating managers, such as Kumar, Ronnie and Masudi view their businesses as being heterogeneous, with enough qualities and resources to engage in CSR practices. It is an erroneous and short-sighted assumption, therefore, that certain CSR activities and drivers are exclusive to large businesses (OE-SMEs, 2002; Thompson and Smith, 1991).

The study further answers Mainstream CSR pessimists’ calls to incorporate the ‘South’ and SMEs in the CSR debate (Jenkins, 2005; Sayer 2005; Fox, 2005). Empirically, the study contributes to the ‘Southern’ CSR perspective, rectifying

CHAPTER SEVEN

the myth that CSR is a developed-country concept. This research provides qualitative evidence that SMEs in the ‘South’ can and do practice CSR. In turn, this finding contributes to the ongoing debate on whether CSR has a role in poverty eradication (Dolan and O’Pondo 2005), which is amongst the prime CSR challenges identified in this study. Often, owner-managers have responded by engaging in poverty eradication schemes, in partnership with local stakeholders such as small-scale farmers, employees, children and women, who are often less recognised (Garvey and Newell, 2005; McFalls, 2007; Blowfield and Murray, 2008).

7.2.4 Findings 4: Reinventing SHEF

In addition to responding to pessimists’ suppositions that CSR is a large-business concept, this study suggests and tests an alternative SHEF and model to that proposed by Freeman (1984). It is argued that Freeman’s (ibid.) traditional engagement model, wherein businesses predetermine, measure, and ultimately manage stakeholder needs, is valuable, but not sufficient or sustainable in today’s interconnected and globalised world. Thus, the study proposes a SHEF and CPSEM which interacts and involves stakeholders in an open, collaborative and co-productive manner, with the aim of generating organisational learning and transformation, as well as proactively responding to SHNs.

The research argues that Freeman’s (ibid.) traditional engagement model also entails reactive management risks. Traditionally, owner-managers engaged in CSR activities to satisfy personal values, but these often focus on the ‘wrong’ issues (Rodgers, 2006). Consequently, the CPSEM suggested here has wider proactive functions to cope with both owner-manager’s values, and stakeholder needs. By collaboratively and proactively addressing socio-economic and environmental challenges, SMEs can better manage risk, leading to sustainable growth, innovation and a license for their business to operate. The model shifts from Freeman’s (ibid.) traditional two-way engagement to collaborative-networked engagement, wherein the owner-manager listens to and actions

CHAPTER SEVEN

SHNs. The research further evidences that the CPSEM potentially provides critical strategic information, opportunities for innovation and problem-solving capabilities that would not always be available to businesses using Freeman's (ibid.) traditional model.

In addition, the CPSEM is more likely to generate strong social performance. The model is useful for predicating what stakeholders want, which is a source of businesses opportunity (Andriof and Waddock, 2002). For example, prior knowledge of stakeholder needs reduces the risk of goods and services being rejected in the market. Therefore, the CPSEM promotes an 'inclusive business model' that allows synergies between SD goals and core business functions, and beyond. SMEs in this study were identified as being successful because they use the available resources (money, time) to respond to societal, economic and environmental challenges in their society. On one hand, the CPSEM provides innovative solutions to supplying affordable products and services that meet basic needs including water, food, sanitation, housing and healthcare; on the other, it creates income and employment opportunities for low-income communities – either directly or through the businesses' value chains.

7.2.5 Finding 5: SME/CSR contributions to SD through co-produced SHE

According to Loew et al.'s (2004) and Hamann's (2007) frameworks, businesses'/CSR contributions to SD depend on local and/or regional initiatives. These frameworks are based on an initial and tentative distinction between the impact 'of CSR practices at the business level, and the social, economic and environmental spheres of SD at the macro level. Empirical data supports both frameworks; however this study builds towards a more complex understanding of the 'business contribution to SD' philosophy in relation to SMEs. The study suggests a framework (Figure 6.5) whereby businesses – specifically SMEs – engage in CSR practices at the micro level, through which they eventually contribute to SD at the macro level. Whilst governments should carry primary

CHAPTER SEVEN

responsibility for achieving SD, this framework exhibits how SME owner-managers collaborate with stakeholders towards the achievement of SD. As can be seen from Figure 6.9, the two key SME/CSR drivers (owner-managers and stakeholders) influence CSR (mainly strategic philanthropy) in a collaborative and/or co-productive manner at the micro level.

The framework may be viewed as a way to make sense of the conceptual and empirical findings in this study. It is interesting to reflect upon the possible interactions between the owner-manager, personal values (intrinsic CSR drivers), extrinsic drivers, CSR practices, SHNs and the deployment of strategic owner-manager capabilities that have been identified in the process. The new framework, which integrates those previously offered (Figures 4.2, 4.3, 6.2, 6.3 and 6.4), attempts to build into a theoretical overview (Figure 6.5).

This synthesis is based on a set of exploratory interactions between the various constructs:

- Human beings (owner-managers and stakeholders) drive CSR, and thus SD.
- SME/CSR drivers are best understood from the owner-managers' perspective, rather than that of the business (SME) itself.
- SMEs (owner-managers) contribute to SD targets by engaging in strategic philanthropy.
- SMEs' contributions towards SD are collaborative engagements between stakeholders and owner-managers, and external CSR initiatives that address the short- and long-term economic, social and environmental goals of both firms and society.

Therefore, the conceptual framework (Figure 6.5) can be expressed as 'SME/CSR + SHE \rightarrow SD', which is derived from Loew et al.'s (2004) and Hamann's (2007) CSR \rightarrow SD. The conceptual framework exhibits how businesses, particularly SMEs, can be part of the solution to global development challenges by achieving more, for more, with less. SMEs should adopt the

CHAPTER SEVEN

CPSEM, which is responsive to stakeholder and development needs and allows collaborative/partnership working between stakeholders. SMEs have evidenced ways of ‘thinking global by acting local’. They engage in ‘simple’ responsibility activities (such as environmental protection awareness practices) that offer social, economic and environmental solutions without compromising the ability of future generations to meet their own needs. The ‘SME/CSR + SHE → SD’ framework recognises and integrates parts of Carroll’s (1979) CSR Pyramid, Elkington’s (1999) TBL, Prahalad and Hart’s (2002) BOP, Porter and Kramer’s (2002) Strategic CSR, and the environmental, social and corporate governance ESG approach of socially responsible investment, to present a holistic view of how SME/CSR contributes towards SD.

This means that SMEs become inclusive businesses, leading not only to improved shareholder satisfaction, but also to the development of communities and countries through creating jobs, improving infrastructure, and skill development. Thus, this study supposes that if the social, economic and environmental impacts of all SMEs (more than 90% of business units worldwide (Lukenhorst, 2004)) are improved, considered and measured, their cumulative contribution will be larger than that of large businesses.

7.2.7 Other theoretical considerations and implications

Despite Starkey and Crane’s (2003) proposition that narrative research is an appropriate mode of thought from a sustainability perspective, most previous CSR and SD papers have reflected a positivist research paradigm (Quazi and O’Brien, 2000; Schuler and Cording, 2006). Therefore, this study makes an important contribution to the literature with sustainability-related life-history stories of SME owner-managers from the sub-Saharan African perspective. In addition to supporting the ontological position with life-history stories (Ponterotto, 2005), the study also provides rich and complex data support towards how owner-managers are CSR driven, collaborate with stakeholders to identify CSR activities, and consequently contribute towards SD.

CHAPTER SEVEN

The research further represents a viable improvement to current methods for measuring business contributions towards SD goals (Compton et al., 1998; Veleva and Ellenbecker, 2000; Salvaris, 2002; Dyllick and Hockerts, 2002). Without a universally accepted indicator set to measure SD (Runnalls, 2002; Parris and Kates, 2003), this study reduces the plurality of purpose in characterising and measuring it by utilising the MDG matrix to measure SMEs' contributions towards SD from a sub-Saharan African perspective.

7.3 Implications for practice

This study has practical implications and recommendations for practitioners as well as for BCSDU and WBCSD.

7.3.1 Practitioners

This research addresses Mohrman et al.'s (2001) call for 'doing research that is useful to practitioners'. The direct implication of this research is that owner-managers think about themselves and what is important for stakeholders, whilst running their businesses. The study offers an explicit awareness and holistic sense of balance between personal values and SHNs when making decisions on the nature and type of CSR practices in which to engage. Therefore, the study prepares potential business owners with an intention to begin engaging with CSR practices. Assessing and knowing what is important to and for both owner-managers and stakeholders helps them to identify SHNs, as well as their own.

The study also provides guidance to practitioners wishing to improve relationships between business and society by suggesting a CPSEM for identifying SHNs. The model highlights a collaborative engagement method which utilises stakeholders' unique capabilities by accepting them as 'experts by experience'. However, this involves adopting a different mindset about stakeholders, from a source of risk to one of opportunity for innovative ideas and experiences. The culture amongst practitioners to ignore stakeholders'

CHAPTER SEVEN

capabilities or wrongly associate them with risks is not easy to overcome, although formal training programmes might help. The empirical evidence in this study nevertheless shows that 'listening and telling' is no longer enough; however, active partnership, collaborative and co-productive engagement with stakeholders is an innovation-creating and knowledge-sharing mechanism that is beneficial to practitioners and stakeholders.

This study shows that owner-managers often need to divert from short- to long-term goals. In most cases, stakeholders will take a year or more to see real benefits from inclusive sustainable solutions to development challenges; however, business opportunities will always succeed in a strong community (WBCSD, 2010). The change in focus from traditional short-term or one-off CSR practices to long-term targets will be different and new to owner-managers in most cases, however the empirical evidence in the study shows that engagement in long-term CSR practices creates competitive advantage and has innovation potential (IISD, 2002; Porter and Kramer, 2002; UNIDO, 2002). In practice, engaging in long-term CSR enables practitioners to collaboratively engage with a wider range of stakeholders, thus facilitating networking and knowledge-sharing across different sectors of society.

From the stakeholder perspective, the study directs external stakeholders seeking opportunities to address societal needs. This research moves beyond the traditional consultation or two-way SHE approach (Freeman, 1984) to one that actively advocates changes to how businesses respond to social, economic and environmental issues. The not only bridges the gap between owner-managers and stakeholders, but helps to build an inclusive SME model that creates sustainable solutions that surpass philanthropy and intrinsic owner-manager satisfaction. The CPSEM expands access to services, goods, and livelihood opportunities for poor local communities in commercially viable ways, and helps companies to build positions in growth markets. SMEs in this study have evidenced a win-win scenario: on one hand they engage practically within the

CHAPTER SEVEN

supply chain, and create new jobs, income, technical skills and local capacities; on the other, poorer consumers enjoy the benefits of affordable products and services, as well as a sustainable life with fewer developmental challenges. Ultimately, external CSR champions should use these relationships with businesses to gain legitimacy to drive change even beyond the micro level.

The importance of this research towards the externally applied management perspective cannot be overlooked. SD and CSR represent a growing career field (Crook, 2005; ECO, 1999; 2004). Auditing and consultancy firms have sprung up in developing economies, particularly to advise businesses and now SMEs on how to engage in CSR practices. The findings from the research are vital to professionals promoting CSR and assisting SMEs with sustainability policies. The research also contributes to a better understanding of owner-managers' motivations towards CSR, which benefits sustainability practitioners.

The MDG matrix is also useful to sustainability professionals and practitioners, especially owner-managers in terms of evaluating their business' contribution to the MDGs and SD. It is possible to identify gaps or areas of concern where the business is not contributing enough to a particular goal. For example, some respondents such as Abbey, Florence, Francis, John, Kenneth, George and Raymond are not contributing to Goals 4, 5, and 6 at all (see Appendix B). These goals could be unrelated to their business functions; however, this research shows that businesses that engage in diverse strategic philanthropic practices have competitive advantage over those with fewer activities.

The research further implies that understanding owner-managers' personal values may prevent businesses from engaging in CSR for benefits beyond the business case for sustainability. Despite a positive correlation between CSR and business performance (Blowfield and Murray, 2008, p.139), this research suggests that practitioners, especially SMEs, stand to benefit beyond the business case if they engage with CSR.

CHAPTER SEVEN

The researcher shares good practice based on practical experience and as well as feedback and recommendations from the nine SME owner-managers (participants) from phase 2 of this study. The good practice and recommendations below are aimed at SME owner-managers and practitioners in general intending to embed with the SHEF, CPSEM and SHE.

i) Get in early and engage with the right stakeholders from the start.

The planning phase takes time; therefore, owner-managers must act as soon as they realise the engagement need. The stakeholder identification process, capacity and strategy are inclusive and diverse, and ensuring representation from all the right stakeholders is also complex, and involves extensive planning and mapping. There is a need to consider stakeholders' expertise, levels of influence and willingness to voluntarily engage, which also takes time. BCSDU's CPSEM is a proactive, and therefore an instinctive process that identifies likely problems and answers stakeholders' worries. Engaging with stakeholders from the start, and not 'for engagement's sake' during crisis, is highly recommended.

ii) Agree the rules of engagement. At SEB meetings, owner-managers should agree the scope, objectives and stages of the framework with the stakeholder representatives, along with the process of decision-making, conflict resolution and how the shared value between the owner-manager and stakeholders works. Thus, clarity of the framework and understanding of the value and expectations for each stakeholder has to be stressed from the beginning.

iii) Honesty and openness is paramount. Owner-managers must be true to themselves and stakeholders when making commitments, for example with regards to available resources (time, money and people), in order to respond to needs. The owner-manager is a decision maker, and thus should be responsive, consistent and timely in their communications.

CHAPTER SEVEN

Building trust with and amongst stakeholders takes time, but is key to creating an open relationship and dialogue.

- iv) **Listen, engage, act and review.** BCSDU's CPSEM allows engagement in the form of a network between the owner-manager and stakeholders – as well as between stakeholder groups themselves and the entire community – rather than as a one-way or two-way information feed. Listening to stakeholder views and needs is vital, as stakeholders are affected by any decision made. When an action is agreed, engagement and progress updates should be given. The whole engagement model should be reviewed regularly.
- v) **Manage engagement as a business function.** This involves taking a strategic approach that is aligned to the owner-manager's and stakeholders' aspirations. The balance between owner-managers' and stakeholders' needs is hard to define; however, mutual benefits should be outlined. Just like other business strategies, SHE should have a clear set of objectives, timeline, and budget, plus an allocated individual or department (where possible) who is responsible for it. The framework and model should be defined to staff, as opposed to being an ad-hoc process. In this way, managing SHNs affecting the whole community, and risks associated with these, becomes a simple 'business as usual' operation.
- vi) **Engagement is an ongoing process.** Engagement is a strategic process of listening, engaging, acting and reviewing sustainable business and SHNs. SHE makes the owner-manager accountable to stakeholders for any business actions. Thus, it is a day-to-day business operation, especially with regards to owner-managers' CSR and engagement decision-making and governance.

7.3.2 Contribution to BCSDU and WBCSD

This research process was part of a large project aimed at increasing SMEs who are registered with BCSDU/WBCSD by 85% in the first two years of its

CHAPTER SEVEN

operation. This was achieved via fulfilment of the WBCSD affiliation code of conduct and the UNESCO's SME-sustainability funding criteria.

The opportunity to rethink and finally build an SHEF away from Freeman's (1984) traditional engagement theory of 'listening' and 'telling', towards co-production and collaboration between SMEs and their stakeholders, not only had an influence on identifying stakeholders' needs, but also changed internal BCSDU working procedures. The organisation adapted and implemented a collaborative management style, through which staff and senior managers solve management problems. New policies such as flexible working, overnight travel allowances and sustainability training policies were co-produced between staff and HR. These policies arose as a result of demands at staff meeting for better working conditions. Co-producing policies and procedures is now widely adopted by most WBCSD regional networks.

The study provides current SME/CSR literature from a developing-country perspective that is applicable to other sub-Saharan developing countries. BCSDU and WBCSD have adopted the SME/CSR development matrix applied in this research as a benchmarking tool in evaluating SME-sustainability performance based on principles that are economically sound, environmentally healthy, and socially responsible in other developing economies. The matrix provides opportunities for both BCSDU/WBCSD and SMEs to learn and respond to SD goals they are not actively engaging with. The tool further provides potential for SMEs with limited financial capabilities or expertise to evaluate their contribution to SD.

The research provides information on the effect of SMEs' engagement with sustainability issues at the micro and macro level. This study concludes that micro-level SME/CSR practices contribute to meeting macro-level SD goals (Hamann, 2007; Loew et al., 2004). Generally, the findings increase sustainability knowledge amongst wider stakeholders, which might induce key stakeholders

CHAPTER SEVEN

like governments and other donor agencies to increase capacity towards solving developmental challenges such as poverty (Visser, 2008). Therefore, this study enhances BCSDU/WBCSD's collaborative engagement agenda with external stakeholders of sharing the responsibility to achieve SD targets.

7.4 Study limitations

This exploratory research has some paradigmatic and pragmatic limitations relating to the research methodology (Easterby-Smith et al., 2002; 2008).

Paradigmatic – The study's qualitative approach may be open to researcher bias, and interpretive accounts of the respondents. Given that the sample for this study was drawn from the BCSDU database and participating SME owner managers at phase 2 and 3 are well known to the researcher is likely to create a sampling bias. Despite these prior relationships' importance for the life history method adopted for this study (Goertz, 2005; Thomas and Hersen, 2009), the study and more generally, social desirability response might be considered biased and lacking independence.

The interviewer's unconscious preferences in directing how the information in interviews was interpreted could also be considered a biased approach for data analysis (Easterby-Smith et al., 2008). The chances of research bias may also have increased due to the researcher's active involvement to investigate a field or sector from their professional life; however, validity precautions (Table 3.2 (Chapter 3) were taken to reduce this bias assumption.

For example:

- The interviews were carried out in three phases; the findings in Phase 1 guided the rest of the study and Phase 3 offered feedback on the methodology, findings and SHEF and co-productive model developed.
- Data interpretations have been examined and scrutinised by the researcher's BCSDU mentor and academic supervisors, as well as interviewees during Phase 3. In addition, some aspects of this research

CHAPTER SEVEN

have been presented at international conferences, and received feedback; this has led to parts of the research being accepted and published in major academic journals.

- Yin's (2009) rigour tests were considered to improve validity, as presented in Table 3.2.

From a positivist perspective, this research may seem to have basic sampling errors (e.g. not random, small sample), bias (e.g. interviewees known to the researcher, researcher involvement) and analysis faults (e.g. subjective coding, researcher reflexivity). The researcher could have involved more SMEs in Phase 2, but the experience in Phase 1 showed that only respondents well-known to the researcher would make suitable targets due to the sensitive nature of the interview questions.

Christy and Wood's (1999) mathematical and numerical model of prospecting samples to diversify the population could have been adopted to improve validity and representation of the findings SMEs in Uganda, sub-Saharan Africa and indeed developing countries. However, their model (ibid) undermines the researcher's interpretive approach which follows a consistent and self-declared ontological and epistemological position. Nevertheless, with the SHEF, CPSEM and the MDG matrix being developed and used internally by BCSDU and WBCSD, their academic validity may need to be tested to ascertain their applicability to other cultural and geographical locations. This research's epistemology and methodology is, nevertheless, concerned more with the quality of the data and findings than number of interviewees, or 'research logistics to ensure representativeness' (King, 2004, p.16)

Pragmatic limitations are constraints on the completeness of the research findings due to issues of time, resources and access to participants (Easterby-Smith et al., 2008). For example, longer interviews may have revealed greater insights, and conducting Phase 3 interviews with all Phase 2 participants might have improved the overall validity. However, every researcher faces such

CHAPTER SEVEN

limitations to some degree (Bryman, 2004), and they have been addressed by being clear about the research scope and not making claims beyond those supported by the data.

In addition, the assumption that the owner-manager 'is' the business may not always be the case, especially where the SME is co-owned or run as a family business. However, for the purpose of this study, it is assumed that owner-managers' personal images and behaviours are embodiments of their business, and this was found to be true for all participants in the study. Furthermore, literature agrees that to maximise validity or trustworthiness of high-quality qualitative research, certain assumptions have to be made (Stenbacka, 2001; Johnson, 1997, p.283).

The study finds Ugandan CSR as being rooted in ATS, which has existed for generations. CSR is denoted by different names in different languages, although it means nearly the same thing as WBCSD's (2000) definition adopted by today's owner-managers. Some participants, for example, said that they engaged informally in CSR through practices like paying wages and taxes, which is not considered CSR by BSCDU/WBCSD. Furthermore, they do not need any documentation to verify their engagement with CSR, yet in some instances CSR verification documents may have been requested from the participants by BCSDU and/or supply chain buyers. Despite the importance of a systematic view of the 'new' CSR introduced to owner-managers, it could be argued that they are being asked to continue doing what they have done for decades.

The focus in this study was on external social responsibility practices and not the internal dimension. This was because internal social responsibility practices relate mainly to the management of natural resources used in the production of goods and services, which does not encourage discussion of SMEs' contributions towards the development aspect (EC, 2002). Internal social responsibility practices primarily involve employees and relate to issues such as investing in

CHAPTER SEVEN

human capital, and health and safety and managing change at work (Zadek et al., 1997). Nevertheless, considering the working definition of CSR in this study, which includes '[...] working with employees...' (WBCSD, 2000, p.10), ignoring internal CSR practices means that the study only partially explores SMEs' contributions to SD.

It is assumed that SHNs presented at SEBs were in the interest of the community at large, and are not personal views of stakeholder representatives. This may not always be the case, as personal views and beliefs tend to outweigh those represented in such dialogues (Przeworski et al., 1999). Thus, it could be that SME/CSR practices are those best suiting representatives on SEBs, and not the entire community; however, the SHEF requires owner-managers to investigate the scale of the need for the entire community before engaging in any activity.

7.5 Further research

Further research explores both internal and external CSR dimensions' contributions to SD, or a comparison between the two, would be welcome and timely – especially from a developing-country perspective, where CSR and sustainability is a new research area. An exploration of the effect of employee awareness of CSR practices and how this contributes to their families (internal dimension) (WBCSD, 2000) may extend the business contribution to SD on the MDG matrix.

The study shows how SME owner-managers and stakeholders collectively drive CSR in a co-productive manner to contribute towards SD. Further research could build on this to explore the SMEs' contribution in terms of social and financial terms, barriers and factors of quality, and timely contribution to SD. Furthermore, research testing SHEF and CPSEM in a large-business setup, or from a developed-country perspective, is warranted.

CHAPTER SEVEN

Sustainability has long been a human responsibility (WCED, 1987; Steurer, 2005). This research adapts Kates et al.'s (2005) alternative way of understanding SD, which concerns how it is measured, rather than what it seeks to achieve. The study suggests using the MDG matrix to measure human beings' (owner-managers) contributions to SD, from a Ugandan perspective. The findings indicate that the current measurement methods put forward by Parris and Kates (2003) may be inappropriate, and in fact deceptive, when it comes to human beings. Therefore, future research to explore contributions of, for instance, business directors, senior and front-line managers to SD from a large-business perspective may cement this supposition.

7.6 Research recommendations

Throughout this study and in literature (Kakabadse et al., 2005; Nkiko and Katamba, 2010), there have been criticisms of governments in developing countries failing to enforce CSR. There are neither direct CSR laws nor a legal or regulatory framework for controlling corporate activities in Uganda, or indeed many other sub-Sahara African countries (ibids). To supplement government efforts to achieve SD goals, local businesses, especially SMEs, need to be more socially responsible. The study recommends a mixture of voluntary and mandatory measures wherein businesses must go beyond laws, regulations and codes of conduct. This research illustrates the Ugandan government's inactive position by rearranging Carroll's (1991) CSR Pyramid (Figure 7.1). In the absence of a legal framework, local large businesses and, more recently, SMEs, have had almost no alternative but to start formalising their engagement with CSR practices in a voluntary and self-regulatory manner.

This voluntary and self-regulatory action might inspire governments' regulatory and legal emphasis, as in other cases in South Africa, Mauritius and recently Kenya, where CSR is more developed (Rossouw 2005). In South Africa, for example, businesses responded weakly to the voluntary pressures from the Companies Act 61 of 1973, and the King II and King III reports, which

CHAPTER SEVEN

explicitly address the need and relevance for businesses to acknowledge stakeholders and adopt a TBL approach (Fig, 2005; Skinner and Mersham, 2008). The government supplemented voluntary actions via Black Economic Empowerment (BEE) legislation, which requires businesses to consider all stakeholders when performing their internal and external operations' promoted and extended business engagements in CSR.

Uganda and many other sub-Saharan African governments should emulate such governments' responsiveness to CSR. In the US, for example, the Toxics Release Inventory is administered and legalised through the Environmental Protection Agency. Similarly, several EU governments have legislation to make environmental reporting mandatory for businesses, and the Restriction of Hazardous Substances (ROHS) legislations and Waste Electrical and Electronic Equipment Act are in force. This study shows that a few owner-managers are calling on the government to develop CSR legislation for businesses, such as Abby's desire to: 'supplement our economic, social and environmental efforts with CSR legislation'.

This study further recommends cross-sector partnership and collaborative working between businesses and stakeholders, such as NGOs, governments, and trade unions, in promoting CSR and transparency, as well as transforming existing initiatives into effective, inclusive social solutions. The CPSEM should be widely promoted and incorporated. This research shows how the model can yield unexpected innovations and other benefits by engaging with stakeholders. On a brighter note, both SHEF and the CPSEM have been signed off by WBCSD in Brazil and India. This is expected to encourage and expand SME engagement in sustainable practices, as well as their subscription to existing sustainability codes such as the UN Global Compact code of conduct and the GRI.

CHAPTER SEVEN

Regarding the confusion on what CSR entails, especially in sub-Saharan Africa where it is rooted from different traditions and cultural and religious backgrounds (Chapter 6), people should be allowed to relate to the CSR concept in their local languages. This is already working and acceptable in Latin American countries, where CSR is translated as *Responsabilidad Social Empresarial* (RSE). Similar efforts have been successful in parts of the UK, where some businesses use alternative names such as ‘responsible business’. The approach could encourage SMEs to be part of the CSR agenda, which might eventually bring about a common understanding. For some, this might be viewed as creating more confusion; however, having worked in different communities and countries where English is not the first language, the researcher has observed that people tend to relate to their native ethical terminologies better and quicker than foreign-language versions. In each locality, a co-produced definition and name between businesses, stakeholders and researchers, to clarify the broader CSR concept, might solve the confusion.

Additional research and training into business partnerships and sustainability strategies and how CSR can be best applied in sub-Saharan Africa is vital (section 7.5). In South Africa, progress has been made in sustainability research, however the rest of the region is lagging behind. Data in Table 4.8 represents an opportunity for education institutions to start CSR and/or sustainability short courses, and higher-level qualifications. Nevertheless, some universities and colleges, such as Makerere University Business School in Uganda, have included CSR on their curriculum. Education ministries and other agencies, and think tanks such as Uganda Chapter for Corporate Social Responsibility Initiatives (UCCSRI) (a voluntary CSR initiative in Uganda) should advocate more local and empirical CSR research. There is potential for greater intra-regional/country collaboration that goes beyond sustainability conferences to skill-building and detailed sharing of best practice, ideally with local think tanks, and small and large businesses who already engage with CSR.

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APPENDICES



Appendix A: Professional Development

Appendix A: CHAPTER 8 - PROFESSIONAL DEVELOPMENT

8.1 Introduction

This chapter presents my continuing professional development, highlighting the progress of my learning needs since enrolling for the DBA programme.

Chapter Objectives

1. To reflect on my professional development journey
2. To explore why I chose the DBA programme over other courses.
3. To present my learning and development needs before the DBA
4. To reflect on how the DBA programme has developed my learning needs
5. To reflect on the overall DBA research process

8.2 Reflections

This thesis emerges in response to a five-year research journey entitled ‘CSR: An SME contribution towards SD goals in sub-Saharan Africa – the case of BCSDU’. During this time, I made numerous decisions to build on my academic and practical experiences. Therefore, I conclude with a ‘self-questioning’ (McLennan, 1992) chapter, both on personal developments resulting from undertaking the DBA programme, and the decisions made whilst carrying out this research project.

8.3 Personal development journey

My career path goes back in Uganda, where I spent most of my childhood. I entered paid employment at 16 years old, and it was then that my passion for accounting and finance emerged. I come from a family with more than four accountants, so it may be unsurprising that my passion, initial academic qualifications and career path took a similar route. I completed my BSc (Hons) and Masters Studies at the University of Derby, and went on to work in finance-related posts in organisations such as Rolls-Royce in the UK. It was then that my interest diverted to CSR and business engagement with society. The desires for a different and intrinsically satisfying career path led to my re-location to Geneva, Switzerland, where I took on a junior CSR consultancy role at WBCSD. A few

Appendix A: Professional Development

months later, a challenging SME-Sustainability manager position came up within BCSDU – one of WBCSD’s regional networks (see chapter 1 and 4).

8.4 My SME–Sustainability Manager role at BCSDU

I had to relocate again, this time to Uganda for a job that required a different set of interpersonal skills and attributes (Appendix I). I needed to learn and develop my interpersonal skills (communication, leadership, teamwork, research management) in order to perform well. I was very fortunate that my new employers agreed to my career development needs, and supported me to enrol for the DBA programme at Portsmouth Business School to develop my learning needs.

8.5 Why the DBA over PhD?

I enrolled for the DBA because it is open to a wide range of business and management professionals with an active interest in demonstrating and developing research theories into practice. Despite having an academic theory background, I identified with a need for BCSDU’s sustainability project to formulate a theoretical model that would solve practical problems faced by registered SMEs. Therefore, the DBA seemed ideal because it requires students to contribute to both theory and practice in relation to business and management. The first year of the programme was very useful because it entailed specific regulations and quality approval processes, something that is not widely available in PhD courses. For example, getting on to the research phase was subject to passing all four modules, plus having the research proposal accepted by the Ethics Committee (see Appendix D: Ethical Review Checklist).

Above all, the DBA programme allowed me to conceptualise, test and apply theory to practice. With my academic background, for example, I could easily have chosen to undertake a PhD in something unrelated and as ‘wide’ as Botany; however, the DBA seemed most suited for a less experienced practitioner/manager like me, with a business-related qualification and desire for continuous learning and career progress through rigorous research.

Appendix A: Professional Development

The DBA also enabled me to solve practical problems in my workplace, as well as giving me a higher intellectual platform to develop and test my theories (e.g. the CPSEM and SHEF) in practice, which would be rather difficult or even not required with a PhD. The DBA, thus, was a better choice for improving my ability to apply concepts, models and theories to practice, thereby solving overall managerial problems for BCSDU. The DBA also offers the ability to reflect and build on learning skills in communicating and disseminating research to practitioners and academic audiences, something that was core for my managerial role at BCSDU.

8.6 Identification of my learning and development needs

One of the five modules of the DBA programme – Professional Review and Development Portfolio (PRDP) – allowed me to carry out a formal assessment of my skills, attitudes and knowledge to identify any gaps at an individual, team or organisational level. As part of the module, I considered my strengths and weaknesses (Self-SWOT Analysis) in order to build a PRDP. Using a Transferable Skills Framework (Appendix I), I identified activities and experiences and matched them against the different skills and qualities that I possess (Appendix I), using Kolb's (1984) four-stage learning cycle to reflect on activities and experiences so as to draw theoretical conclusions that influenced further action. Thus, practice, reflection, theory and action become principle to my professional development.

Following Kolb's (1984) learning cycle, I identified the need to develop the following skills during the DBA programme:

- Career management skills
- Networking and team working skills
- Academic writing skills
- Communication and presentation skills
- Interpersonal skills

Appendix A: Professional Development

8.6.1 Career management skills

I have changed jobs often, which does not reflect well to potential employers. Therefore, I identified the DBA course as a career development programme that would provide knowledge and understanding of myself and the labour market in relation to a future career direction (Hawkins, 1999).

My self-analysis helped me to develop and learn more about my career management skills, such as self-awareness, political awareness, self-promotion, decision making, creating opportunities and self-confidence. I was able to use the knowledge and experiences from past employment to integrate my existing skills to identify things that make me employable, based on the experimental and reflective parts of the DBA programme.

8.6.2 Networking and team-working skills

I identified the need to widen professional networks that could have an impact on my team-working skills. The DBA cohort (course-mates) comprised of high-profile and experienced professionals from different walks of life. As a group, we are more than just classmates or friends. The cohort includes professionals that are willing to share knowledge and advice at all times. I have also had the opportunity to network with PhD students worldwide in the same field of study during CSR and SD seminars, conferences and workshops. Most of these professionals are now active connections on my LinkedIn page.

I realised that one of the reasons why I haven't settled in one job is a failure to identify my main attributes. The DBA was instrumental in addressing this through hands-on activities. As a group, we were exposed to assignments and situations that accelerated team cohesiveness, and built trust and team-working skills (Tuckman and Jensen, 1977). Throughout these assignments, I adopted Belbin's (1996) team role theory to identify that my best contribution in a team is either as a monitor/evaluator, investigator or shaper. This exercise has helped me to consider myself as a business researcher/consultant, and that my professional

Appendix A: Professional Development

contribution to any team and organisation lies around that parameter. For example, I recently accepted a short-term contract with Derbyshire County Council's SHE team. In taking on this job, I very clear on the skills I was adding to the council's SHE team.

8.6.3 Academic writing skills

Attending the Advanced Research Techniques and Publications and Disseminations lectures in year one of the DBA developed my academic writing skills, which were important in my role at BCSDU. Part of my role was to write and review academic sustainability publications by BCSDU staff and other external stakeholders. In particular, I adapted the writing procedure proposed by Bruer (1993) whilst reviewing CSR and SD academic papers and reports submitted by local authors to BCSDU. On a personal level, I have published several academic publications internationally.

Publications

Being a part-time academic researcher, I found it hard to compete with already established scholars in disseminating knowledge created and gained from the DBA course. Nevertheless, I have managed to collaborate with a few local researchers to have two papers and two book chapters in addition to several conference papers, based on parts of this thesis, published internationally.

Book Chapter

Nkiko, C. (2012), "Globalization and corporate social responsibility", in D. Katamba, C.Z., Haag, D. and Tushabomwe-Kazooba, C. (eds.), *Principles of Corporate Social Responsibility (CSR): a guide for students and practicing managers in developing and emerging countries*, 1st ed., Strategic Book Publishing and Rights Co., Houston.

Nkiko, C. and Katamba, D. (2010), "CSR in Uganda", in Visser, W. (ed.), *The World Guide to Corporate Social Responsibility*, Wiley International Business Publisher, Chester.

Appendix A: Professional Development

Articles

Katamba. D, **Nkiko, C**, Tushabomwe-Kazooba. C, Mpisi. S.B, Muyimba, A. K, Kekaramu.J.H., 2012. Corporate Social Responsibility Management in Uganda: Lessons, challenges, and policy implications. *International Journal of Social Economics* journal Vol. 39, No.6.

Nkiko, C. M., 2011; Co-productive Stakeholder Engagement: Rethinking the Traditional Engagement model. *International Centre for Corporate Social Responsibility Research Paper Series*. Nottingham University Business School

Conference Pages

Nkiko, C.M. (2011), “Inclusive SMEs making sustainable livelihoods, paper presented at the international Conference On CSR in Sub-Saharan Africa; CSR for Sustainable Economic Development, Lagos Nigeria, 12th - 14th December.

Nkiko, C.M. (2009), “The case for strategic philanthropy amongst Sub-Saharan African SMEs”, paper presented at the 5th CSR and Its Impacts CSR Research Symposium, Middlesex University, Middlesex, 22th June.

Nkiko, C.M. (2008a), “Sustainability through corporate social responsibility activism in Africa: the case of SMEs”, paper presented at the 7th international Conference On Corporate Social Responsibility, Durham Business School, SRRNET, 3rd – 5th September.

Nkiko, C.M. (2008b), “Stakeholder driving towards social responsibility SMEs”, ”, paper presented at the European Academy of Business in Society (EABIS) Conference, Cranfield University, Cranfield, 10th – 12th September.

Appendix A: Professional Development

8.6.4 Communication and presentation skills

Good communication is at the heart of best practice for career advance (Holliday et al. 2004). Therefore, communication skills are essential for establishing effective and respectful relationships with stakeholders, businesses and fellow colleagues, as well as other professionals. My new job at BCSDU involved engaging locally and at an international level with wider stakeholders especially SME owner-managers, through formal one-to-one sessions and presentations. The first year of the DBA prepared me to make presentations before large audiences. Classroom presentations were very useful for me to communicate my thoughts and feelings to my peers, who in turn gave constructive feedback (McCarthy and Hatcher, 2002; Levin and Topping, 2006), which created ideas for improvement about my presentation style. Colleagues and senior lecturers recommended the following tactics and tools that I have adopted since then:

- To grab viewers' attention by using graphs, videos and audio whilst conveying my views or message.
- To stay in control of time and always stay focused on the aim/objective of the presentation.

I always remember these tips whilst disseminating and sharing knowledge during academic conferences or local workshops, and there has also been improvement in the way I have disseminated and presented parts of this thesis. Material for this thesis was accepted for presentations at a number academic (listed under conference papers) and industry conferences/seminars and CSR Research Symposium:

In practice, the picture is encouraging as the stakeholder conceptual framework and engagement model are now embedded in all SMEs registered with BCSDU. In addition, both the SHEF and CPSEM have been piloted by WBCSD's regional networks in Brazil and India. I have occasionally been invited to run workshops in the countries where the models are being implemented. Additionally, I am testing both conceptual models within a public sector set-up – Derbyshire County

Appendix A: Professional Development

Council – as an alternative tool to engage with wider stakeholders whilst delivering services.

8.6.5 Interpersonal skills

The most critical job skills are interpersonal skills (Appleby, 2000; Yancey, 2001 Johanson and Fried, 2002). Individuals with interpersonal skills are ‘all-rounders’ and usually fit into any organisational setting. I identified the DBA as a career development course that could improve my employability. Interpersonal skills are a combination of many other skills (McConnell, 2004), especially those I identified at the beginning of the DBA programme. Table 8.1 shows how the different activities of the DBA have developed skills that aggregately make up interpersonal skills.

Table 8.1 DBA activities vs skills developed

DBA Activities	Skills learnt and developed
Group and individual assignments	Teamwork, Delegation, Leadership, Decision –making, Motivation, problem solving
Getting to know each other	Networking, Teamwork
Work-study life balance	Decision-making, time management
Conferences, workshops, lectures; PhD symposium	Academic writing, presentation skills, communication
Research process	Academic writing, conceptualisation of theory to practice, time management; Decision –making

Source: Compiled by the author

Although interpersonal skills are presented separately in Table 8.1 above, it is important to note that they are interdependent and there are very few situations when they operate in isolation of each other. A combination of the entire skill-set has been called upon during the entire course of my research process.

8.7 Reflection on the research process

I began asking myself whether SME/CSR practices contribute towards SD goals. It was unrealistic to explore the whole, or a representation of, global SME/CSR

Appendix A: Professional Development

practices and how these contribute to the SD agenda, so I scaled down my focus to BCSDU's registered SMEs in Uganda, and how their engagement in CSR practices contributes towards the achievement of SD amongst sub-Saharan African developing economies. This thesis evidences how my research thinking and focus was rationalised so as to deduce conclusions to answer the research objectives.

Completing this thesis was very time-consuming, however I received useful guidance from my principle supervisor and other colleagues that helped remain focused to the thesis objectives. The DBA journey has also helped me to improve a number of skills (mainly those identified in this chapter), especially academic writing. Unlike professional report writing, wherein I am used to describing the subject matter based on personal opinions, academic writing calls for definitions and interpretations based on academic underpinnings. Understanding and applying this has been a great aspect of the DBA programme.

The methodological approach and likely limitations of this thesis were discussed in Chapter 7. However, I have used reflexivity – the turning back of an inquiry or theory or text onto its own formative possibilities (Macbeth, 2001) – as good practice in the non-positivist or interpretive approach adopted in this research. One special technique for increasing reflexivity is autoethnography – which is a distinctive form of the 'life-history method' (Jones, 1983) adopted in this thesis. Some prominent autoethnographers – (e.g. Ellis et al., 2011) define autoethnography as an 'approach to research and writing that seeks to describe and systematically analyse (graphy) personal experience (auto) in order to understand cultural experience (ethno)'. This, in essence, is what my methodology provides, especially in enhancing representational richness and reflexivity of the qualitative method adapted (Humphreys, 2005).

During this journey, I have followed Ellis' (2004) suggestions of what an autoethnographer should do in research. I have read and applied literature in CSR/SD journals; interviewed SME owner-managers to identify their CSR

Appendix A: Professional Development

motives; and reported/published some of the thesis findings at international conferences and in journals and books. Overall, I have compared and contrasted my experiences of this research against existing literature to generate self-cultural conclusions and recommendations for this study.

8.7.1 Choice of the methodological approach

As part of the reflexivity process I ask myself whether, given the chance I would adopt a different methodological approach. I would probably still say ‘no’, because the methodological approach adopted provides a convincing justification for the research questions and design. This methodology allowed me to access highly sensitive life stories from friends and ex-colleagues, which will stay with me forever, and further allowed me to be a ‘communicator and storyteller’ of these stories, which accomplishes the first ambition of an autoethnographer (Ellis et al., 2011: 111).

Although I would not change the methodological approach, given a chance I would expand the scope of analysis to include the internal CSR dimension of SMEs. I feel this thesis gives one side of the SME/SD story, having only considered the external CSR dimension. It would be useful to test the empirical research findings against wider theories, especially those relating to HR management, which overall would expand the level of SME/CSR contribution to SD. However, I suspect that such an oversight is common with academic researchers building a research project for the first time. Plus my worry is that considering both internal and external CSR dimensions could have been such a large research project for which I might have lost my focus and scope.

8.7.2 Data collection and analysis

With regards to certain aspects of my research process, carrying out interviews with some fascinating people has been the most stimulating and inspiring part of this DBA journey. All interviewees were either well-known friends or ex-colleagues, which made analysis of their life stories somewhat easier. Nevertheless, the transcription process was very difficult, especially listening to

Appendix A: Professional Development

the recordings again and again. It was also difficult to manage the volume of data from 30 participants, despite using the NVivo computer software. In truth, I didn't identify anything specific or interesting in the data in the beginning, except the participants' intrinsic CSR values. However, the more I worked with the data, the more I realised how SME owner-managers contribute towards SD, which helped me make conclusions to answer the research objectives. As the late Steve Jobs (co-founder and former chief executive of Apple) stated during the 2005 Stanford commencement address:

‘You can't connect the dots looking forward; you can only connect them looking backwards’ (Stanford report, 2005)

8.7.3 Final thought

Producing this dissertation has been inspiring, consuming, stressful, and often even boring, but is one that I will never regret and therefore will cherish forever. The DBA process has given me an identity as well as providing me with a goal, and so it is both with some regret as well as pleasant relief that I find myself writing these concluding remarks for my thesis. Before I embarked on this journey, someone very dear to me told me that:

‘Life and everything it throws at you is a game and the quality of anything you do depends on how well you play that game’.

Although I didn't see this in relation to the DBA journey at the time, I eventually found this to be true: the ‘game’ of this study where I have used all my interpersonal skills in a five-year long ‘match’. Now that I am playing ‘extra-time’, I particularly understand what this person meant; and whilst I have enjoyed the game, it is not one I am longing for a replay, although the experience is one I am proud of and highly recommend, especially to anyone aspiring to make a difference to themselves and others.

Appendix A: Professional Development

8.8 Chapter summary

The chapter represents my dedication towards my continuing personal development. I have highlighted the different DBA activities undertaken throughout the last five years to learn and develop my personal needs for the future. I have reflected upon ways through which the DBA course has aided the development of the skills initially identified by using a SWOT matrix.

The first year of the DBA course was particularly useful in identifying the skills I needed to develop. The lectures, workshops and assignments were vital in identifying my learning needs. Additionally, the programme developed my team-working skills by professionally working together with DBA cohorts. My DBA classmates offered constructive feedback and professional advice around general research concerns such as presentation style and methodological sample size.

Certainly, one of my main rewards for undergoing the DBA journey has been the ability to develop my academic writing and communication skills. The journey has offered me opportunities to devise and present the CPSEM and SHEF across a number of sub-Saharan developing economies, Brazil and India, as well as the ability to test them within the public sector (Derbyshire County Council). The knowledge and experience gained from the DBA programme has opened doors for a bright future.

Appendix B : THE SME/CSR DEVELOPMENT MATRIX

















Appendix B: THE SME/CSR DEVELOPMENT MATRIX

THE SME/CSR DEVELOPMENT MATRIX																	
SMEs	owners	CSR Practices	Income	1.Hedge	2.Education	3.Social equity	4.Social inclusion	5.Human health	6.Social justice	7.SDS	8.Agriculture & forest	9.Environmental preservation	10.Social innovation	11.Training & mentorship	12.Digital & innovation	13.Youth Employment	14.Technology transfer
			G1	G 1	G 2	G 3	G 4	G 5	G 6	G 6	G 7	G 7	G 7	G 8	G 8	G 8	G 8
Law	Abby	providing consultation & legal representation to SMEs															
consultancy		offers placement opportunities to law graduates															
		recycles and reduces energy consumption															
Business	Adam	donate CSR text books to Govt owned colleges/schools															
training		offer CSR conferences & discount to SME managers															
college		supports the Mother Teresa HIV Charitable Trust															
		raises malaria awareness in the community and schools															
		organises blood donation camps in the community															
		environmental Campaigns															
Farming	Badal	provides farmers with tree seedlings & interest free loans															
Business		organic farming training and environmental forest mgt															
		scholarships to disabled girls and AIDS orphans															
		land for health care clinic & borehole construction															
Arts Galley	Bernard	apprenticeship programmes for artists in community															
		'Francis Foundation' for road sign awareness															
Internet cafe	Chris	IT classes to orphans, women groups & IT consultation															
		offer volunteering opportunities to graduate															
		run a 'shared access to communication' programme															
		builds boreholes and training the locals using them															
Bookshop	Olivia	runs public library & reading awareness workshops															
		offer two scholarships to the best female students															
		after-birth financial support to mothers															
		supports malaria campaigns															
		Environmental preservation info & tree planting projects															
Acid batteries	Dick	reduce environmental pollution & international standards															
		malaria treatment camps & supports the DANIDA RRP															
		household hygiene improvement camps															
Hotel	Eli	looks after HIV/AIDS orphans and raises AIDS awareness															
		'catch them young' environmental project															
		Road construction															

THE SME/CSR DEVELOPMENT MATRIX – Continued

SMEs	owners	CSR Practices	G1	G 1	G 2	G 3	G 4	G 5	G 6	G 6	G 7	G 7	G 7	G 8	G 8	G 8	G 8
Farming	Winnie	built and maintains a local market place															
		offered 5 scholarships to girls with an agriculture studies															
		support to women cotton famers/women empowerment															
		HIV/AIDS & drinking water awareness in all schools															
consultancy	Florence	Environmental education, protection & awareness in sch															
		sponsors women developmental group & girl guide trips															
		offers free live consultancy to business people															
Chemical	Francis	gives fast growing trees to famers/environmental awareness															
Factory		offer premises to a local primary school															
		hands-on apprenticeship schemes for the youth															
Recruitment	George	second chance employment scheme															
Agency		trains soldiers and prisoners' wives in entrepreneur skills															
		waste management, recycling & energy saving practices															
		"Get involved as you earn" charity project															
construction	Hudson	conveying healthy and safety information in primary sch															
Firm		community apprenticeship scheme															
		local development projects -football ground renovation															
		AXAL breakfast centre - breakfast to school children															
		Education in innovatively environmentally construction															
Bee	Maggie	support a health camp & distribute medicine/vaccination															
Farming		sponsors primary school teacher & fees for school dropouts															
		life-Skills and HIV-AIDS awareness classes in primary sch															
		beekeeping/agriculture educational programmes to famers															
		improves water supply and sanitation in community															
Fish proces'n	John	offer improved fishing equipment to farmers															
		trains local fishermen sustainable fishing methods															
Night club	Kenneth	orphanage sponsorship															
		music scholarship programme to university															
		sponsors academic excellence awards															
Air conditioner	Kumar	voluntarily commitment to working NEMA															
		partnership in building homes for homeless children															
		sponsoring Blood bank															
consultancy	Lawrence	organising training workshops on CSR involvement															
firm		adverse reaction to incidents - malaria & Yellow fever															
		recycles & reuse opportunities for waste water & by-products															
Furniture store	Richard	runs environmental & forests protection programmes															
		run anti- child labour campaigns/makes donations to sch															
		free premises to the post office - communication															
		runs a mobile HIV/AIDS testing van															
		involved in hygiene and sanitation programmes															
		sponsors a vocational college in training youth															

THE SME/CSR DEVELOPMENT MATRIX – Continued

SMEs	owners	CSR Practices	G1	G 1	G 2	G 3	G 4	G 5	G 6	G 6	G 7	G 7	G 7	G 8	G 8	G 8	G 8
Automotive garage	Masudi	runs a apprenticeship scheme															
		runs HIV/AIDS prevention programme															
Radio station	Max	interactive radio programmes & public announcements															
		sponsors sports programmes in the community															
		recycles, re-uses and runs on-site waste management															
Coffee growing	Raymond	secures a sustainable source of income to farmers															
		women farmers promotion & environmental schemes															
Fashion shop	Restituta	training in hairdressing, tailoring & business skills															
		women HIV/AIDS prevention awareness programmes															
construction firm	Robert	offer jobs, income & apprenticeships to disadvantaged															
		offer flexible payment plans to low income earners															
Organic growing firm	Roger	contributes on ecological and animal welfare aspects															
		help three struggling women farmers annually															
Restaurant	Ronnie	run obesity awareness workshops to women & children															
		preserves the environment by selling only organic food															
		supports charity that feeds street kids and the homeless															
sportswear Shop	Sam	engaged in sports children sponsorship programmes															
		Sponsors orphans to access primary education															
Teaching material firm	Smith	train primary school teachers to use the new teaching tools															
		water & sanitation awareness & malaria & AIDS prevention															
		Environmentally materials & human rights awareness.															
Rural microfinance bank	Vivian	low interest loans to local small business and individuals															
		rural development & self-employment training to customers															
		finances rural innovations															
		scholarship to the best two girls in PLE															
		donate office equipment & computers to libraries															
		sponsor a 24-hr free emergency outreach drop-in clinic															
Direct contribution	Indirect contribution																
		Goal 1 = Eradicate extreme poverty and hunger															
		Goal 2 = Achieve universal primary education															
		Goal 3 = Promote gender equality and empower women															
		Goal 4 = Reduce child mortality															
		Goal 5 = Improve maternal health															
		Goal 6 = Combat HIV/AIDS, malaria and other diseases															
		Goal 7 = Ensure environmental sustainability															
		Goal 8 = Develop a global partnership for development															

Appendix C: PARTICIPANTS' PROFILES

Abby – Managing Director – Consultancy

Abby is my personal lawyer as well as a UBCSD legal advisory committee member. She is the Managing Director of the law consultancy firm which employs 23 *personnel*. My impression of her is that she is a very sociable, positive and enthusiastic lady.

During an open interview, Abby recalls her distressing childhood and the impact it has had on the way she perceives others: “My mum threw me in a dustbin whilst when I was a toddler. I was fortunate enough to be found by some street children...I was told that I must have stayed out in the cold overnight wrapped in just a cotton sheet.” Thanks to a passer-by, she was taken to hospital and later sent on to an orphanage where she lived until she was six years old. She recalls, “Life here was a misery, we were beaten, starved and deprived of playing time.” Abby believes the orphanage’s prime goal was to gain charitable money as opposed to caring for the wellbeing of the children in its care. One Sunday whilst at church, a lady approached the orphanage manager to ask whether she could adopt Abby. The lady adopted Abby and it was then that she felt that: “This was the beginning of my understanding of the true meaning of life...this lady has looked after me in every aspect of life especially paying my tuition fees until graduating as a lawyer.” Abby’s adoptive mother taught her to respect, value and have faith in God whilst looking after those less fortunate than herself. “I will never forget my childhood experience and its one of my big drives in business and what i engage in” she noted.

Abby considers CSR to be the business’ proactive strategies: “*CSR is a business’ proactive interaction with key stakeholders in providing practises that improve people’s livelihood and protect the environment.*” Abby also calls for the Government’s action to promote CSR: “The Ugandan Government should come up with legislation for businesses to be more accountable for their economic, social and environmental effects.” She emphasised that CSR is good for the success of businesses in long-term as well as the wider society. Abby’s consultancy voluntarily promotes the sustainability of SMEs by: “*Providing free services to SMEs such as employment law consultation, litigation support, tax advisory services, financial statement compilation and auditing services to new SMEs through monthly educational seminars.....offers placement opportunities to law graduates.....signs up small businesses to a free legal representation for the first 5 years of operation.*” The law firm is also involved with community charitable projects for example; it donates 5% of its profits to two orphanages. Abby believes that “It is important to remember where we come from by being part of it.” Regarding the environment, the firm is environmentally friendly *by reducing paper usage in preference to electronic messages such as emails..... the business shreds used papers to send for recycling and reduces energy consumption by switching off lights when not in use as well as switching off electronic appliances as opposed to being left on*

Appendix C

stand-by and the *ecological cooling system recently installed uses less electricity* compared to conventional cooling system.

Abby identified her background as the key motivator to social responsibility practises: “I have gone through a lot which makes me think about individuals in similar positions.” She acknowledges her adoptive *mother’s guidance* in respecting God as another driver: “God has always been part of what I am doing, thus trying to treat other people the same way I would like to be treated.” Abby too has observed that in the *current market, clients* are looking for those firms that have a contribution to communities they operate in. She remembers a foreign investor, who wanted to register his business in Uganda: “To my surprise she asked me whether my firm is committed to the community in anyway.” Abby recognises the philanthropic contributions made by her firm as being a response to crisis calls.

Reputation was identified as the main benefit of Abby’s involvement in CSR practises: “Working with small business and individuals in the community has promoted our business’ ‘name’.....we are known as ‘community lawyers’ due to the free legal advice services to local small business people.....besides people in the community have referred new clients to us which has increased our returns.” Abby says that her business has offered time as opposed to money which has created awareness of the needs of society needs as well as solutions on how to solve them. She also recognised CSR as having intangible benefits such as the *fulfilment of needs which support personal values and morals*: “CSR creates individual benefits to small business owners which are in line with their values and morals however these are neither quantifiable nor seen.....they are just salvaging one’s conscience more than anything.....now and again I feel that by being part of societal development, I am helping myself.” The law firm has also *cut costs* by saving energy in addition to having a *fundamental impact onto the environment*, she said.

Adam – Principal and Director – Education

Adam is a client – I worked with him to initiate CSR and sustainability lecturing at his college. He a Director of business school and he employ *39 staff* in western Uganda. I perceive Adam to be very professional, intelligent and open-minded person.

In the interview, Adam revealed that he was raised by an uncle [Mike] who was also the headmaster of a secondary school he went to. Throughout the interview, he remembers how inspirational Mike was to all students in his secondary school: “During assemblies held twice a week, Uncle Mike always came up with motivational speeches on how we should help one another to become successful. That’s the way he was all the time to the point that he continued his lectures even at home.” Adam says that Mike would occasionally instigate with small quizzes especially after meals: “On one occasion after supper, he asked me suddenly the name of the disabled girl [Suzan] who was in my class...I used to

Appendix C

see this girl but never bothered asking for her name.” The next morning, Mike asked students to form study groups: “I was in the same group with Suzan who was very bright.....she helped a lot during my exam preparation.” Adam remembers a favourite quotation from his uncle’s speeches: “everyone deserves the same care and attention because you will never know who that person will be in the future.” Adam revelled that he will always pay tribute to his Uncle Mike for the greatest lesson he taught him; *sharing, caring and respecting human beings as being paramount*: “Uncle Mike is my idol.”

Adam’s perception of CSR is “*CSR is about the social insinuation of business behaviours and the level of responsibility that those businesses bear while making a contribution to the communities they operate in.*” He categorises the CSR activities the college is involved in; these comprises teaching in areas of climate change; managing diversity; creating responsible, safe, equitable practices; supply chains and the business engagement with communities. Education has been a major influence on CSR activities, he states that his college fosters a leading-edge in teaching CSR through activities such as supporting student-led CSR clubs and events together with the development of better teaching methods in a number of ways: “*We donate CSR text books to Government owned colleges on top of organising CSR conferences for students to expand their knowledge on sustainability topics.....offer five scholarships to female students who enrol on the CSR courses as well as offering discounted fees to SME-managers who enrol on career development programs such as a certificate in social corporate responsibility..... actively participates in local festivals as part of the college’s efforts to hold good relations with the community.*” The college equally *supports the Mother Teresa Charitable Trust which looks after HIV positive patients* as well as raising awareness of malaria through community and school programmes. Adam says that *they organise annual blood donation camps within the community*. In addition, the *college students and teachers support their community by regularly cleaning the main roads approaching the college by picking up rubbish, tin-cans by the road sides*. Adam believes these activities educate the community on the importance of everyone playing a role in protecting the environment.

Adam perceives himself as naturally motivated to engage in CSR practises: “I just find myself engaged in most of those activities without even thinking about the costs involved...I have a *moral [intrinsic] motive* which holds more meaning to me than the strategic [extrinsic] motive where CSR activities are aimed at the financial gain to the institution in the long term.” He remembers an interesting question from his daughter: “my eldest daughter asked me whether I had any regrets on the money or time spent on social responsibility practices; I told her that with right education, a child can overcome whatever barriers may stand his/her way and regarding money, for every shilling that I put towards CSR practices, the benefits are worth 15 times that. I may not get direct returns today but a positive contribution to the people in this community is priceless.” He further explains that CSR is treated as a non-mainstream topic in business schools and colleges in Uganda. Therefore, the college uses CSR to *differentiate*

Appendix C

itself from rest as well as offering internationally recognised qualifications to students: “we decided to compliment the educational curriculum by allowing students not only to believe in issues such as climate change, MDG and human rights but also to join global CSR debates.” The college is driven by both the *education ministry and student pressure*: “the education system in Uganda is somehow a replica of that in South Africa where the Government and customers are demanding for these practices, thus we had to be part of it.”

One of the barriers to CSR in Uganda has been the lack of knowledge in this area. However, Adam considers his college to have a positive impact towards effect: “We were the first private institution to *raise CSR awareness by teaching young/future managers the CSR concepts*.....the courses offered by the college are designed to assist business managers develop strategic plans for aligning CSR practices to enhance business performances.” He also said that the college has been able to *attract and retain highly skilled and qualified academics* because they consider themselves as having a positive contribution to the community. “The college is very *innovative* through its approach towards knowledge acquisition and problem solving by having a number of leading academics learning and developing the CSR theories thus making us a *reputable* institution.”

Badal – Managing Director – Agriculture, Horticulture & Fisheries sector.

Badal is my client in his role of the Managing Director for a family sustainable and commercially viable agriculture business. The company has over *48 employees* who work in partnership with over 600 local small farmers in the southern region of Uganda. Badal has a good educational background and he is a friendly, religious man. Occasionally, he has invited me over to his house for dinner when I have met his family and it's during one of these occasions that this interview took place.

Badal grew up in India and his upbringing led to his involvement in CSR. He says that while in India, a Hindu temple priest told him that ‘*To **give** is to receive,*’ he has maintained the philosophy to date. “The Hindu scriptures contain numerous examples of humanitarians who helped the underprivileged by donating food, money and even property on holy occasions and festivals, a tradition kept by a majority of Hindus to-date.” He says that there are many forces driving Indian philanthropy giving ranging from personal satisfaction to the responsibility towards developmental issues. In India, philanthropic aid towards relief and development is a common practice by both businesses and some rich individuals. “Growing up in such a *culture* where businessmen are fully incorporated with society has been part of the reason why such practises are part of my small business.” Badal is very proud of his business’ sustainable product range – sugar [by-products from the business’ sugar cane fields]; vanilla; cardamom; timber from business’ managed forests; and organic compost from the livestock operations.

Appendix C

CSR according to Badal is “the giving back to society by an organisation and cementing the bond of that organisation to society through demonstrating the care to society and the environment.” Badal’s agricultural business is involved in practises such as: “encouraging small farmers to expand forested areas by providing them with free tree seedlings, training them on field practices and environmental forest management.” Small farmers are encouraged to join the business’ sustainable practices by buying sugar cane and raw timber from them in addition to providing organic compost and improved varieties of cane. His agricultural business has also raised the standards of local agriculture by developing and introducing new plant varieties: “We try to support and train local farmers in their adoption of sustainable organic farming methods that reduce outward migration.” The business primarily contributes meaningfully to the progress and development of the farmers and communities by financing small farmers [through interest free loans] and guaranteeing fair prices for their produces. “I am in position to purchase the famers’ produces at any price because we are the sole buyers in whole region however; we feel that it’s our responsibility to support and treat our local farmers fairly because we believe that without them, the business will not exist.” The business also offers 5 annual scholarships to disabled children mainly girls and orphans in the community. “The business recently provided land to build a community health care clinic along with building a borehole which provides clean water within the business community.”

Badal reflects on the *Hindu religious faith*, saying “I have believed in Dharma all my life, knowing that giving back to those in need is a very good way of building up good karma [destiny] which gives rewards in later life...we [Hindus] believe in reincarnation such that if one is suffering in this life, it is because of bad Karma built up in a previous life and we also believe that the less unfortunate people of today may have been your brother, sister, or loved one in a previous life.” He further states that “Karma and reincarnation make me the most devoted CSR practitioner.” Also he suggests that *development* should be considered in any business structure. “Working towards development of the community I live and work in has driven me to make small but very significant contributions towards that community.” India is a poor country so Badal says that he really knows what people in Uganda are experiencing thus his *life experience* in India is a driver towards CSR. Furthermore Badal discloses that his agricultural business has entered the *international market* where international buyers are very keen on sustainable farming: “new international markets have always driven us the small businesses [supply chains] to embed CSR in our structures.”

Badal explains his CSR reward: “Late last year, a young man in his late 20’s walked in to my office; he told me that he was a medical doctor working in South Africa. He reminded me that we [the business] had paid his school fees through our scholarship scheme. I was absolutely speechless at the same time filled with joy and happiness. It’s one moment that I will never forget because

Appendix C

for the first time, I saw someone who has directly benefited from our time, money and effort put into these external practices and that is what the benefit of CSR success is and nothing can beat that this also drives the more.”....” Also the business contributes to the economic, social cohesion and environmental advantages through organic farming practices: “this has improved our *reputation* both locally and internationally.” It was further expressed that CSR has been a major influence towards the business’ *innovation* in new sustainable crops to small farmers: “We are always learning and adopting new sustainable methods and produces on the market through our sustainability stakeholder channels worldwide.”

Bob - Director – Creative & Media sector

Bob and my cousin [Deo] went to the same primary school. I was introduced to Bob the gallery director by Deo. The arts gallery employs 4 *staff* and operates as a registered UBCSD member hence the growth of our professional relationship. What strikes me about Bob is, he is keen to learn and has a genuine desire to help people in need.

Bob traces his initial involvement in social responsibility activities back to a catastrophic incident that occurred 33 years ago: “My best friend, Emmanuel, was walking back home from school when he was hit by a speeding motorist whilst crossing a zebra crossing.” He was taken to hospital where he stayed for nearly a year. Unfortunately, Emmanuel’ parents could not afford to pay the hospital bill to keep him in hospital until recovery. “I was 12 years old at the time; and to help my best friend, I managed to organised a door-to-door fundraising to raise money to put towards his hospital bill...little did I know that I would end up a national hero...” Bob says that he appeared in the national newspaper which described him as a role-model for all children. Emmanuel’ legs were amputated and sadly he died 5 years ago. “I started up a ‘Emmanuel Foundation’ in his memory which creates a greater awareness and importance of the road signs for all road users....”

When it comes to the meaning of CSR, Bob was defensive: “We [SME owner-managers] do not have CSR policies in place. However, this does not mean that we do not have such practices at all...CSR is the running of a profitable business which takes into account all the positive environmental, social and economic consequences towards society.” Bob further states that his business offers *apprenticeship programmes* to upcoming artists in community. He also remembers his friend - Emmanuel saying “I have kept Emmanuel’ legacy through the ‘Emmanuel Foundation’. We (gallery staff) are directly and physically involved in the road sign awareness by allocating financial resources to the foundation and also spending 3 hours of our time four times a year re-painting zebra crossings in town. We also donate stop signs for lollipop men and women as well as giving reflective jackets to school children. Similarly the galley recently donated free seatbelts and fire extinguishers to taxi drivers, an act that reinforces the importance of health and safety measures within the public transport sector.

Appendix C

Bob's involvement in CSR stems from his passion for moral and social responsibility: "There is always someone who is in a situation that is not his/her own making....and my natural instinct is to support them." Bob further describes the agony he experienced on the night when 19 school girls were burnt alive in their dormitory: "I could not believe what I was hearing on the radio, just found myself driving to the scene to offer some help." He says that it is hard to explain his motivation towards CSR although he relates it to valuing and appreciating peoples' lives so much..." He mentions *family and religion* to be the other factors that have guided him towards CSR practices. Bob describes his father as a very generous and religious man: "We are Catholics and my father used to pay **endobolo** [tithe] – one-tenth of his annual income to the parish church in support of it's work and clergymen...I consider this to be the foundation of CSR amongst many Ugandans."

Bob believes that his business' involvement in CSR practices has contributed to an *increase in customers* at his exhibitions: "we organise exhibitions, international workshops as well as community and children's art workshops and most customers always express their gratitude to the work that we do in the community especially towards the 'Emmanuel foundation.'" This implies that society is recognising the gallery's external CSR responsibilities hence boosting its *reputation*. He explains that "the gallery's CSR practices have made it easier for him to access international partnership and investment that are important for international exhibit....I am still at the negotiation stage with three potential international partners who told me that they are mainly influenced by the scriptures as well as our contribution to society."

Chris – Executive Director – Information, Communication & Technology.

Chris has been my client for over two years. My relationship with him is out of professional and consultancy alliances. He owns 3 small internet cafes employing 79 *staff* in total. Chris is a confident, intelligent and enthusiastic colleague.

During the interview, Chris reflects on his past and its impact on the present: "In 1998, I was prosecuted for supporting Government rebels even though I just spoke out against the abuse and mistreatment of children during the war." Chris ran to a local church as he was in fear of being killed by the Government soldiers who would come searching for him in his home: "They abducted my children and set my house on fire that night." He managed to escape to the Netherlands where he was allowed to temporally stay. Chris remembers how accommodating the Dutch were to him: "I could not speak their language but everyone was willing to assist me in every possible way." Chris confesses that he became over ambitious and greedy by accepting a friend's advice to start working at a deaf school, even though he was prohibited from working. "I used to work at night helping out the deaf in case of an emergency such as fire." Chris declares that working in the deaf school changed his perception about disabled people: "in Uganda, the disabled are deemed to be cursed hence isolated from society and in most cases even kept in a prison or institutions...in the Netherlands

Appendix C

however, they live in supported living accommodations in addition to being supported in engaging with communities they live in.” This was the beginning of Chris’ realisation that there are many people in need of help and in some cases they need such ‘small’ help.

Chris believes that every business should have a moral obligation to society. He says that “CSR is the business’ responsibility to society improving economic and environmental aspects of sustainable communities...with this I am optimistic about future generations [element of sustainable development] benefiting from my impact to society.” Chris says that the internet cafe voluntarily creates a geographical balance in giving everyone an opportunity to have a sustainable future. “We offer free IT classes to the disadvantaged members of our community such as the disabled, orphans, war veterans etc.....we offer free consultation to schools and colleges to implement better learning and teaching IT modules on top of allowing two colleges to use the café as an IT suit.....offer volunteering opportunities to graduate from our community.” He further identified other services that his cafe offers to the community saying that “We run a ‘shared access to communication’ programme which helps the communities to receive phone calls free of charge as well as making cheap outbound calls consequently improving communication amongst the rural fixed and nomadic cattle communities.” Another CSR external activity for Chris’ cafe is the provision of water security to businesses as well as the communities where it operates. Chris said “water is vital to businesses making it fundamental in the fulfilment of sustainable development.....we have built 11 boreholes in the three business communities.....trained locals particularly women on how to collect, value, maintain and store clean drinking water as well as helping in water tank construction..”

Chris’ morals and values relate to his socially responsible practices. He said that “Most individuals like me engage in CSR activities just because we value it to be the right thing do whilst others just follow their conscience.” He stresses that “on a personal development level, my time in exile in the Netherlands made me a better person in that it made me think more about those in need of help, above all creating a better place for the future generations.” Another CSR motivational dynamic identified by Chris was the stakeholder activists: “CSR activists such as NGOs eg., WBCSD have promoted the true value of CSR to small business owners like me.”

Chris noted small business CSR practices are more beneficial to business owners than the actual businesses themselves. He said that “whenever opportunities are equally shared within community, then we will have added value to society.” Additionally whenever the business engages with communities then it helps to change preconceived beliefs that the business’ sole objective is to make profits. Chris says that “we are a small business with less resources to give money [philanthropy] thus resorting to volunteering our professional time - we are able to provide the communities and schools a more *hands-on assistance* as they learn

Appendix C

how to do things by themselves. Eventually this will reduce over-reliance on donations and gifts [philanthropy] in communities.” He also said the water projects are sustainable and have a direct developmental impact to communities.

Dick – Sustainability Manager – Environment sector

I know Dick as a client in his role as a Sustainability Manager of a small Acid batteries manufacturing business employing *96 staff*. I had worked with him on an ‘SME-entrepreneur skills kit foundation’ which allowed us to have frequent contact and more in-depth knowledge of each other. My impression of Dick is that he is highly likeable, inquisitive and business-focused individual. He strongly believes that “truly successful people in life are givers and one has to give in order receive.”

In a personal Reflection of his career, Dick states that, “I come from a very large and poor family.....my father could not afford to take us to school thus I have had to work hard to gain an education.” Dick has been a businessman all his life. He remembers buying watches from Sunday markets and re-selling them to his friends during the week. He says that he has achieved a lot just because he has had a great relationship with his customers: “society has helped me build a successful business life. Therefore, it is my turn to give back to society directly and indirectly by protecting the environment for the future generations to equally have a better place to live in.” Dick says that he has a social responsibility because it’s the right thing to do.”

Dick relates his understanding of the term CSR to “....the management of those business activities that have a wider impact and development on the society it operates in....businesses have a responsibility to the society, environment and staff and can only achieve these responsibilities by working and building a good relationship with local communities, civil society, other businesses and the Government....this indirectly enables firms to work indefinitely towards the social, economic and environmental goals.” The Acid batteries manufacture refers to such long-term goals as corporate sustainability or sustainable development. Dick divulges that his businesses is committed to protecting and improving the environment by buying used batteries from end-users, recycle them to recover LEAD metal and after safely disposing off the waste which subsequently reduces scrap that is wasteful to the environment, he said. The company is also involved in a DANIDA project that implements measures to reduce environmental pollution and achieve compliance to international standards for: Repairable Lead dust, Fumes, Emissions, and Effluent discharge. “We have contributed financially to the DANIDA Rural Roads Programme (RRP) which restores growth and rural incomes, addressing inequality and improving access to markets and new technologies in the Northern Districts. Dick noted that business’ contributions [philanthropic] towards community developmental issues have not been directed to the cause due to corrupt officials in the system. His business decided to engage directly in these issues such as embarking on improving the health and hygiene situation in two major slums by

Appendix C

having *malaria treatment camp* fortnightly instead of giving money to corrupt institutions or individuals, he said.

Dick emphasises the importance of businesses' involvement in social activities saying that "Every business should engage with its community, environment and its staff just because it's the *right thing to do* and this is my greatest motivator...I tend to achieve a great deal of personal satisfaction as opposed to other benefits from CSR engagement...." He remembers a contribution by a staff member in a staff meeting: "I was very pleased and delighted when Stella [new staff] proposed that it will be a good gesture within our community if we could join the on-going deforestation campaign." The national awareness of issues such as the environment amongst stakeholders (employees like Stella) together with the *universal standardisation* of working practises are the other set of CSR drivers, he said. As well as gaining personal stratification, it was the *right thing to do* in setting up the malaria camp-projects; Dick believes that the *media crisis call* on 'a child dying of malaria every 30 seconds in Africa' has been a driver towards many SME's involvement bearing in mind that malaria is a preventable and curable disease.

Dick expresses concerns regarding benefits of CSR to his manufacturing business: "CSR benefits tend to be intangible when it comes to us [SMEs] due to the small contribution that we can make compared to the large businesses." There is an increase in battery *sales* hence the *net profit increase*, however it's unrealistic to credit these gains on one initiative yet we do have other operations such as marketing, research and development and advertising." Dick comments how his employees have gained personal satisfaction from working for his socially and environmentally responsible business as result this has enhanced staff retention in his business. The business' malaria treatment camps too resulted in the community nicknaming Dick "*omusawo waffe - Dick*" meaning "Our Doctor – Dick," which demonstrates the business' reputation in the community.

Eli – Owner-manager – Leisure & Tourism Sector

Eli is a client at the UBCSD where his small hotel which employs 23 *staff* is registered. I also know him on an informal basis as we are both members of the same gym. He appears to be a likable character with a good sense of humour and very competitive, this is evident during squash games we normal have especially the one we had on a Sunday morning whilst having this interview.

This interview reflects on the tragic day when Eli lost the most important people in his life: "it was the worst day of my life, an experience that nobody should have." Eli's wife and three children were killed during the 1979 war; the house they were hiding in was bombed by the army of former Ugandan dictator Idi Amin's. "I used to think that maybe they were rescued or someone is keeping them hostage somewhere...I was perplexed for nearly fifteen days, I didn't want to see anyone that reminded me of my beautiful family...." One morning, Eli

Appendix C

made an abrupt decision to sell his house, he drove for 2 days only to find himself besides a Lake, he said. “Things were different here and probably the reason why I resettled on these beautiful and peaceful islands within the lake.” He turned his personal pain into a business opportunity by building a hotel: “my wife was a ‘people-person,’ she helped orphans in one way or another. Our two daughters loved marine life since childhood - they owned two fish tanks...”

On the meaning of CSR, Eli said that “CSR, corporate responsibility, corporate citizenship, ethics, triple bottom line or environmental and social stewardship are used monotonously however my understanding of CSR is the business’ accountability for the economic, social and environmental welfare of their internal and external stakeholders.....” Eli is further confused by the UN Global Compact’s relationship with the CSR saying that “UN Global Compact entails businesses to commit their strategies in the areas of human rights; labour and environment; which I believe businesses have always been committed to voluntarily under the CSR notion....” Regarding the CSR external activities, the hotel contributes 30% of its annual profits mainly towards two causes - HIV children orphans and the environment as a tribute to what my wife and children had started respectively. HIV is a direct and indirect problem towards the hotel; we have about 7 orphans that we are looking after on top of raising HIV/AIDS awareness within the community he said. Also the hotel is involved with the local primary schools organising day-trips for children to the lake shores to see and learn marine over exertions and its effects to the environment through our project ‘*catch them young*’” Furthermore the hotel has a policy to encourage guests to help save the environment for example guests are encouraged to reuse towels and bed sheets and recycling as much rubbish as possible...And lastly the hotel has paid towards the construction of the main road that connects the island to the mainland.

Eli traces his CSR motivation back to the death of his family: “losing the most important people at once made me *value* other people’s lives. You do not know how much *family* means to you until you lose them...I am involved in these social developmental programmes to maintain the legacy my wife and children.

Eli believes that the majority of people are engaged in CSR to gain personal satisfaction and the other benefits will always be secondary. He puts forward an argument that “...CSR concept in a business will always be influenced by the owner’s personal values and beliefs. We (business owners) will always have personal goals for example continuing my wife and daughter’s legacy is my greatest aim and until I fulfil it, I will never stop...”he continues saying that “...of course other benefits are enjoyed indirectly for example we (hotel) have gained *reputation*, *customer increase* and this may result in increase in revenue *increase* however, I am not in a position to say that these have been achieved solely due to my CSR activity involvement...”

Appendix C

Fazil – Director – Agriculture, Horticulture & Fisheries sector.

I met Fazil at the 2006 President's Export Award ceremony where he was representing his business. He owns a small firm which processes and exports cotton, employing 57 *personnel* working in close partnership with local cotton farmers northern Uganda. Fazil – an Asian descendant comes across as an intelligent, amiable and creative businessman.

During the interview, Fazil remembers his childhood days in northern Uganda where he was born: "in my opinion, people from northern Uganda are the kindest and most loving people in the world.... I enjoyed my childhood despite the class and racial divides between the locals and the Asians back then... in 1972, notorious dictator Idi Amin expelled my family and the rest of the Asian population from Uganda leaving behind a small cotton processing mill where the local community used to sell their substance produce." Fazil remembers the inequality at the time when the Asians acquired riches and status: "I remember the locals having to beg everything from the masters [Asians], working longer hours for very low wages." When Fazil and family went back to India, life was very difficult from that he enjoyed while still in Uganda. "I realised how difficulty it was for people working long hours in factories because I went through a similar experience while back in India working in the textile factory... This was this way of that taught me to value other people." Fazil stayed in India although he would have liked to live in Uganda again. "I broke the news to the family that Museveni [Uganda's president] had allowed Asians to return to Uganda and repose their properties as long as they could prove ownership... In 1992, I returned to Uganda and straight away took over the family owned cotton mill." He says that he did not want to go back to the old ways hence he had to create a good relationship with the local community. With some management structural changes and the later merger with another well-established cotton processing 'company X', the local famers begun to appreciate the company this time. "The cotton mill relationship with the local famers grew immensely to the point that we used to meet at a 'farmers' day party' monthly where local cotton farmers and their families got together at my house to eat and drink till late....."

Fazil's business merger with Cedex emphasised CSR issues greatly; "Due to this joint venture with Cedex, new policies were introduced.... however, I have to say that most of the contents in the new CSR policy existed within our business structure although in a more informal way... basically we used to think it was time wasting filling in forms as evidence of the business being socially responsible; we devoted that time to the actual doing of these voluntary acts... the policy emphasised the cotton business' commitment to working with all partners in cotton production and traders to ensure corporate good citizenship through a strong commitment to environmental and social responsibility...." When asked about his understanding of the CSR notion, Fazil's response was that "CSR is the businesses' environmental and social commitment to its staff, society as well as the sustainable growth of that company..... I believe CSR is

Appendix C

important to the firm's survival which enables it to pay back to the community and as such businesses should engage in CSR with a clear strategy....” The cotton processing and exporting small business is engaged in a number of external practices which Fazil believes to have been in place way back before the joint venture although on very low scale as opposed to what they are doing today. He reveals that “we are engaged in external CSR practices such as protecting the environment by training local farmers on sustainable and environmentally friendly cotton growing methods as well as providing them with genetically modified seeds..... community engagement through building and maintaining a local market place. The business offers 5 scholarships to girls annually who enrol for agriculture studies.... We try to empower women by providing extra support to women cotton farmers. When it comes to economic and human development, we are increasing the average income of existing cotton farmers by buying their harvested cotton above the average price. In addition, we have an innovative partnership with USAID in which we work with all local schools in creating on HIV/AIDS awareness campaigns as well as working on the drinking water problem by leading the well digging campaigns....”

Fazil considers *family* to be the principle driver towards his CSR engagement. “I remember one time; my father looked after Otim [a local farmers] when he was attacked by lion while working on his cotton farm. Otim's wife and four children came to live with us for 5 months until he was discharged from the hospital. Such family memories hold my motivation to continue working and helping people in northern Uganda.” He continues that “the Ugandan government and other agencies are doing so much by supporting the victims of the long-running conflict with the Lord's Resistance Army in northern Uganda to rebuild their lives but a lot still has to be done thus I *feel it's the responsibility* of businesses like ourselves to contribute to the Peace, recovery and development of this wonderful region.” He states that “being in a joint venture, I have annual targets and throughout the years there has been a correlation between the increasing cotton yields from farmers and our implementation of CSR practices thus I am of a view that CSR is an *investment* and I would encourage every farmer to consider engaging these practices.”

There is a very strong business case for CSR within the cotton growing and processing business, Fazil explains that “Social responsibility practices have created ‘good business name’ for us to the point that we have been nominated for best ethical business in the past...meaning we are a nationally as well as internationally *reputable business* because of the way we operate....” Most of the practices that we are involved in are due to a *legacy* left behind by my grandparents. “Once I improve a local farmer's life in anyway, it makes me happier even more than the recipient... it is all about self-satisfaction and that's why I still incorporate CSR practices within my business ... I have to say that *profit maximisation* as well as *easy recruitment and retention* of staff are the other advantages of the CSR engagement.”

Appendix C

FLORENCE – Executive consultant – Consultancy Sector

Florence is a mentor and has been a friend of mine from the time when we were contracted on a WBCSD/SVN assignment in South Africa. Since then, she has always advised and directed me. She also addresses the 15 staff employed in her consultancy firm in the same way. Florence is very reliable and intelligent lady who is always willing to help others.

During the interview, Florence's UBCSD-sustainability award winning consultancy developed software that helps its SME client (customers) to embed CSR practices (ranging from social and economic development practices to environmental activities such as women empowerment, human rights and HIV/AIDS). Florence talks about the time in her career when she thought of making a personal contribution: "I advised businesses on how to survive for eighteen years with one of the best management consultancy firms in South Africa, and I thought the time was right for me to start-up my own consultancy firm where I could use my experience and knowledge gained to the benefit of other SME owners/managers in Uganda." She talks a lot about her work experience and small business-owners' responsibility to society: "I have worked on a number of projects advising directors, shareholders and indeed business owners on how to embed communities in their operations... all of a sudden, I started asking 'what contribution have I made to society?'...I used to talk, talk and talk more like a crusade or an environmentalist campaigner without practicing what I preach in any way..."

Florence continues to emphasise that CSR is a relatively new business idea in Uganda compared to other countries like Kenya and Zambia where the concept came in practice way back in 2003 while still in south Africa: "It is clear that the majority of SMEs have not yet 'branded' their practices as CSR although many are getting to grips with it through consultancies or you guys [UBCSD-WBCSD] helping them out." Florence relates to CSR as "the businesses' responsibility beyond what is legally required to make a positive impact on society and the environment while engaging with their stakeholders." The consultancy engages with other small and large business in a number of external CSR practices. The consultancy for example has a project involving children, parents, teachers and staff whereby every Sunday: "we walk with children collecting plastic bags, bottles and all other recyclable material thrown on the streets." She continues that children and teachers were considered because to implement changes in society, one has to begin with children and their teachers to educate everyone else and that's my promise to my stakeholder engagement board ...we work with local primary schools in creating awareness on the dangers our environment faces by showing films in schools on how to share a collective responsibility in protecting it." The consultancy firm engages with the community by doing: "plenty of small sponsorship [philanthropy] ranging from local women developmental group to Girl Guide trips." Also in conjunction with a local radio, "I offer free live consultancy to SME-owner managers on how to embed CSR

Appendix C

practices in their firms or any business related problems they face...this is one way I give back to society especially to those small business owners who cannot afford professional consultancy charges.”

Florence’s twenty eight years’ *work experience* is her main biggest CSR driver; “I have been in the same job for more than twenty eight years and I have *achieved* a lot, as a result I use my life history as a ‘case study’ while offering consultancy advice to my customers ...and I believe when one talks about certain global problems such as climate change and global warming, it turns out as if he/she is an evangelist thus my choice in getting involved in making a difference.” Florence is very satisfied with some her personal contributions for example saving the planet for her grandchildren to enjoy living on it like she has: “when I grow old, I will look in the eyes of my grandchildren and say to them that I made a difference...everyone has his/her interpretation of what is right or wrong but I would love to say that I am motivated by doing the right thing although this is subjective...”

One thing Florence is certain about is that she is not engaged CSR activities for financial benefit but for a good cause. “It’s a great joy to be part of the next generation’s [children] education in helping them learn how to respect the environment...Our grandchildren will have a totally different *attitude* towards the planet and this in itself will be a great achievement.” The partnership with the community has raised the firm’s reputation, as the local community now appreciates what the business stands for. Florence further stresses that expected advantages of her consultancy’s CSR engagement is in areas such as *risk management, brand differentiation, increased revenue, access to capital and human capital*: “businesses may enjoy some of those CSR advantages, however small businesses are not in a position to evidence these cases for CSR because most of them are not quantifiable eg an increase in revenue in an SME may not be as result of the firm’s engagement in CSR because SME/CSR practices are informal in nature; having said that my consultancy has been able to *retain a few* staff due to its UBCSD-sustainability award.”

Winnie – CEO – Chemical sector

Winnie and I worked on the Business Uganda Development Scheme (BUDS); a component of a World Bank funded Private Sector Competitiveness Project aimed at improving small business growth. The soft spoken, calm and laidback Winnie; together with her Husband [Godfrey] are CEOs of the family business dealing in soap and other cleaning detergents. The small chemical factory employs 11 *members of staff*.

During the open interview, Winnie and Godfrey revealed that they lived in exile for 21 years before returning to Uganda. “We could not be employed due to our age and the level of qualifications that were required by employees at the time,” she said. They resorted to creating jobs rather than being employed. There was a niche market for soap and other cleaning products thus the couple decided to

Appendix C

start the cleaning detergent business using their knowledge acquired from abroad. “To tell the truth, I never thought that there is any sense in businesses engaging with the communities they operate in.” She remembers “one Asian businessman I worked for abroad taught me something that I will always cherish; she told me that ‘for any business to prosper, the society or community where it operates must be at the heart of its strategies.’” This is an important philosophy of my business life because if the business disintegrates with society then who are its customers, she asked. “I used to think like many still do today that the only objective of business owners was only to work hard, sell their products or service at a profit.... Well businessmen such as me have another important objective which is to improve societal welfare as well as protecting the environment we all live in.”

The term CSR is such a broad concept that everyone in the world perceives it differently, Winnie noted. However, her insight on the term is “the business’ responsibility to all stakeholders to operate in an honest, fair and ethical manner while protecting the environment....hence stakeholders such as customers have been looked after by the businesses giving something back to the community where they are situated.” Winnie describes his business’ CSR practices to include “voluntary educational, environmental and communal activities being embedded into the business strategy....” The chemical business created community-based project together with the local primary schools to plant, provide fast growing tree species to famers which create wildlife plus one of the primary schools in the community uses the firm’s premises as an outdoor classroom in offering hands-on apprenticeship schemes for the unemployed youth in the community.

Winnie traces her motivation towards social responsibility from her time in exile: “while in exile children were abducted, raped and killed in Sudan and northern Uganda.” There was a *crisis response* from Governments, NGO and a few businesses including the company I worked for by donating money to the cause as well as encouraging staff to do the same: “in fact I was nominated to organise and collect the company’s contribution.” Winnie has since been motivated seeing fellow staff abroad responding to international crisis whereby aid is given to strategies abroad. Also a few large businesses have been known to use CSR practices to access *local and international market*: “CSR practices have enabled us to enter new markets such as Kenya.” Winnie’s strongest motivation comes *from inside* [self-transcendence], she said. “I appreciate nature hence I feel it is my responsibility to protect it.”

Winnie explains the chemical business case for CSR comes in the way that the tree planting community-based project has created *reputation* for the business which has eased entering new markets such as Kenya. She reveals that “the excellent relationship with her customers is one of the reasons why *net profit margins* have been on a rise in the last 6 yrs.” Also Winnie explains that “no wonder, there has been some *foreign investors* interested in buy the business due to its *low management risk*”

Appendix C

George – Managing Director – Consultancy sector.

George is client in his Managing Director role of a recruitment agency firm which employs 14 staff. Prior to becoming a UBCSD client, our relationship was mainly through professional networks as well as meeting at numerous SME supply chain events where he been a guest speaker. George is a very focused, organised and punctual man.

During the interview, George shares how drug and alcohol addiction affected his life: “fifteen years battling with drugs and alcohol misuse have eventually made me the person I am today,” George says. George was nearly killed one afternoon by a speeding vehicle because he was intoxicated and unaware of the dangers in his environment. “I am fairly educated, had a very good job [senior manager of a MNC] and a father of two but I lost everything including my marriage, house and friends,” he sadly reminisces. George expresses his appreciation to his two supportive sisters who helped him towards rehabilitation. It was very hard to get my career back; “employers in Uganda are very keen on people’s life history...I did not even have a home thus it was really very difficult getting back on my feet.” With time, many organisations needed to cut on their operational costs thus outsourcing their human resource functions and that’s where George saw a business opportunity to start up a recruitment and selection agency. George stresses that “people with addiction problems shouldn’t be forgotten, but always deserve a second chance...”

“CSR is all about businesses having a positive impact on employees, customers, local communities and the environment,” George said. He says that his business is committed to locating suitable candidates for businesses [large and small] following the principles of diversity and inclusion mainly from with the local community where his business is located. He says that “we recruit candidates irrespective of their religion, age, sexuality, gender and ethnicity thus giving everyone an equal opportunity especially those that need a “second chance” to rediscover their lives.” George says that “as part of our involvement with the community, we introduced the “second chance scheme” whereby we work with people who have had drug and alcohol as well as mental health problems, ex-prisoners and the homeless by guiding them into getting back into employment...we actually enrol them in job readiness training in addition to looking for suitable employers who may be interested in their skill set; we make referrals to employers who end up re-employing them thus we are their partner.” He continues to say that his business trains the wives of soldiers and prisoners in entrepreneur skills in order to empower them to cop while their partners are away. George’s consultancy engages in environment CSR activities too; “we follow simple routines in the fields of *waste management, recycling and re-using and energy saving practices* such using low energy saving light bulbs, turning off lights when out of office and we only have low energy IT and office equipment in addition to being environmentally conscious on waste disposal (paper, toners). We donate unwanted office materials to charity plus using rain water on site as

Appendix C

opposed to tap water.” The small recruiting business also contributes positively to the community by engaging with local charities towards re-housing troubled people under the “second chance scheme” with its staff donating to those charities through “Get involved as you earn” scheme.

George ranks *family* as his biggest motivator in life: “I have to work to support those I love most [my wife, two daughters and sisters], they in turn have motivated me to engage external CSR activities.” He further links his business’ engagement in CSR activities to the *supply chain requirements*: “Many businesses now days require suppliers to demonstrate their environmental and ethical commitment...recruitment agencies have lost contracts because of unclear CSR policies in place...” George is also driven by the *belief* that “businesses should have a positive impact to communities.” He says that “I believe that being socially responsible is good for my business – this may be through *brand reputation, employee retention* or any of the other CSR benefits written in literature.”

In communities where people face daily problems and hardships, the need for businesses to engage with them is very important because it creates a strong society. “Re-housing people and getting them back to work is a big accomplishment and it’s something that has enhanced our reputation...” George remembers ‘Brenda’ – an ex-offender he worked with and is now employed: “Brenda registered with “second chance scheme” and recently he visited our office with a bottle of wine as a thank-you to staff for giving him a second chance...I feel I have a moral responsibility to many people like her and this is why I am in this job.”. Brenda and many others have found jobs with the help of the scheme.” George talks more about the case of CSR to his business in terms of *employee retention and risk management* however; he says that “these added advantages are indirect although environmental activities are not only ecologically valuable but also *save money by reducing costs for the business such as lighting costs*.”

Hudson – Chief Executive Officer – Construction sector.

Hudson and I worked on project for the Business Council for Sustainable Development – United Kingdom (BCSD-UK) three years. He is a CEO of a construction firm employing *92 staff*. Hudson has always come across as an enthusiastic, positive and friendly individual.

Hudson tells a story from his teens when he worked as volunteer providing emergency aid and home reconstruction in flood hit neighbourhood communities: “When I was 16 years old, I got this rather ‘bizarre’ idea to join four self-funded guys in providing immediate support to a nearby community which was hit by floods, it was located about 3 villages away from home. It all started with a thought of what it was like for the people on the day of the floods.” Eventually when Hudson and other volunteers managed to get to the scene of the storms, they found people desperate for medical attention, food and drinking water. “After a long day of rescuing people and handing those in need

Appendix C

of medical assistance to medical team; we started task of rebuilding homes,” explained Hudson. “In many ways, this was my best reward in that the all experience turned out to be my career.” The problem was that these were very small villages continuously being hit by floods with very little assistance from the Government, he condemned. During those days, Hudson used to think less about money because volunteering was a passion which he engaged in during his school holiday, he remembers. “Sometimes, I would run out of school for these operations.” Hudson’s family number one priority was helping those in need; “when my mother passed away, I was reminded that there are few things that matter in life and ‘people’ is one of them.”

During the open interview, Hudson relates his understanding of CSR to businesses’ being accountable not only for their financial gain, but also for the environmental impact of their activities on society. Businesses however, should be in a position to define CSR according to their core business activities or strategy, he recommended. “The consultancy sector may find it hard to relate to CSR in the same way as those in the retail sector.” Hudson explains this by naming the types of activities that his consultancy company is engaged in which are different in the way they are done however having a similar outcome of creating a positive impact on society and the environment. “We are involved in conveying health and safety information to children especially those in our local infant and junior schools.” Also the construction company together with a local employment charity do offer employment in the form of apprenticeships to dedicated community members who find it hard to get into employment just because employers fail to understand their background; “at the end of the training we offer them, they get certificates as a recognition for their training which in turn provides them with a chance of finding a job elsewhere.” The construction firm is involved with the community too: “we recently renovated and changed the local football stadium from a **standing** to a seated arena as required by the Federation of Uganda Football Association (FUFA)...we built the AXAL breakfast centre where we serve nutritious and healthy breakfast to all children in our local community before they start school in the morning. Research suggested that children missed school because of hunger or those who managed to attend; lacked concentration during classes...also the centre is used as a leisure after-school facility where children do play in a safe and exciting environment.” All the buildings by the firm are innovatively environmentally constructed: “On every project that we embark on, stakeholders have asked us to allow the community to visit our sites so they aware of the latest environmentally friendly technology and sustainable construction methods,” says explained.

Hudson believes that there is a direct relationship between his childhood passion and CSR involvement. “I just find myself helping those that need it,” he said. Hudson has always found it hard to identify why he is helping others: “one time my sister-in law asked me why I had to help those in need; I didn’t have a straight answer although I ended up asking her a question for an answer; ‘why

Appendix C

are more and more people doing it?’ although to me ‘it is common sense’ helping those in need.” He continues to say that he is sure one day when he makes a reflection on his life, he will say that; ‘I gave it my best shot and lived for things that matter’. However, he noted that he is involved in CSR practices because he is hopeful that his contribution will or is making a difference in someone’s life somewhere. Hudson has realised the recently stakeholder [employees, suppliers, distributors, trade unions, the Government, clients, general public, media and pressure Groups such as the environmentalists] demand for goods and services made or delivered in a socially responsible manner: “A few international clients have in the past requested for our CSR policy and procedures before finalising on signing up of new contracts.”

In the last three years, qualified staff retention and recruitment has improved in comparison to the previous years: “I have had to deal with over 30 graduate applications annually and from our survey, they all implied that they chose a social responsible firm within the community.” He further identifies the business’ CSR projects in the community as a contributing factor towards good press about the firm which has enabled the business to secure a number of contacts within the same community which could also be seen as a SRI in the long run. The local communities have been made aware of high tech-sustainable technologies available within the construction industry through the on-site visits that the firm does; this has helped other small business owners to become more innovative, Hudson said. “New innovative products such as green technologies [solar panels, solar water heaters and wind power] that are more environmentally friendly are now on sale in the community.”

Maggie – Owner manager – Agriculture, Horticulture & Fisheries sector.

I met Maggie at the UMA [Uganda Manufacturers Association] trade fair for the first time in 2007. Since then, her bee growing and honey exporting business directly employing 29 staff has been registered with the UBCSD. The business has been run by the charming, likeable and sociable Maggie for 7 years, benefiting rural communities in the northern region of Uganda. The bee growing and exporting business creates jobs for 700 beekeeper farmers in the region.

During the interview, Maggie shares her professional career background as one of the many things that made her realise the value of people in the war torn locality of northern Uganda. She reveals that “one afternoon, I was reading a daily newspaper and all of a sudden I felt that I had had enough of reading about people at home having a food crisis and many were dying of hunger.” She noted that it’s not that these people are lazy but they lack opportunities and guidance on how to turn the little they produce into something sustainable. “The next morning, I quit my job and went back home and started mobilising local bee farmers,” she said. The implementation was very difficult especially making the local bee farmers realise that bee farming can be a sustainable business. “Training them on the best methods of how to tap and harvest honey was one of my most difficult objectives.” A lot of people stay in their comfort zone, with

Appendix C

ideas that can make a difference in other people's lives but they fear taking a risk: "it took me 19 years to realise that I had a very good idea that could be both a business at the same time making a difference in peoples' lives... I love my job and it's my motivation... and I believe everyone has these ideas but have a fear of leaving their comfort zone." Believing in something has been the key: "believing has been our key to making our honey become the second best in the world, after Brazil..." Isn't that great for the poor farmers who always relied on foreign aid?" Maggie asks.

Maggie highlights the importance of CSR to communities by describing it as an "awareness of companies to the social, economic and environmental needs of the communities in which they operate and the implementation of projects designed to alleviate or meet some of those needs." Maggie reveals that her bee growing and honey exporting business takes the leading edge in social and economic development of the region through its involvement in a number of social responsible activities for example; "we support a health camp which provides access to primary health care services, distribute medicines and vaccinate children against the six killer diseases...we work towards the improvement of education standards in the region by sponsoring primary school teacher training workshops on top of providing tutorials for school dropouts, life-Skills and HIV-AIDS awareness classes for young pupils plus beekeeping, agricultural and educational programmes for the community." Maggie's business has built four boreholes to improve water supply and sanitation and organised workshops to train the community in low cost toilet construction hence improving hygiene and reducing the spread of diseases like cholera and malaria.

Maggie traces her CSR motivation from her upbringing: "I visited the northern region for the first time when I was eleven years old having lived in Kampala [Capital city in central Uganda] and I noticed how life was different between the two regions. However, I enjoyed visiting the north as there was plenty of open land to play and whenever Dad and I were visiting, I would take my old clothes to some of the girls I played with." Maggie says that she never perceived other children as different from her although she was sometimes surprised how appreciative they were whenever she gave them her old dresses. "Its this kind of attitude and respect for other people that I have grown up with rating everyone as equal." she continues to explain her other motivations saying that "our Government has done very little to eradicate poverty in the northern region so I have always felt that *it is up to me and many other entrepreneurs* to create poverty eradication schemes although many do not believe in this happening which is another setback." Furthermore as an international exporting business, CSR is an *international requirement* for all businesses in the *supply chains*. "We are expected to eliminate poor-practises such as child labour and unfair wages to employees." She further explained that "it's now a common requirement for all businesses in the supply chains of MNC at international levels to have CSR policies and procedures in place otherwise your exports will not be accepted."

Appendix C

Maggie correlates the business' CSR practices with their honey which is ranked as second best in the world: "although it's hard to prove that this kind of success is due to a particular thing, I tend to believe that it is the hard work and ethical consideration of the business and local bee farmers that has **improved the taste of our** pure natural honey. This in return has *increased our sales/ profits* enabling us to spend even more on these developmental activities." She disclosed that the firm is now a *world-wide honey reputable small business*: "I am nicknamed 'honey-bee'... [Laughter] I take this as a sign of strong reputation for my business." Above all, the local bee farmers have a stable income and can now "afford to put dinner on the table for their families." She says that "the local community has access to some basic needs such as *clean water, family planning information* and most of all they can never go hungry with their bee-hive full of honey."

JOHN – Sustainability Manager - Agriculture, Horticulture & Fisheries sector.

I knew John from my previous research project [the changing roles of first-line managers in Ugandan SMEs] when he was still a part-time first-line manager with a participating an SME in that project. Three years later, John is my client after registering his *27 staff* fish processing plant with the UBCSD. John was has always been a very calm, quiet and rather reserved.

Despite of previous interview participation, it very difficult to interview John due to his reserved nature; explaining his life history in relation to CSR was a quandary. However, John talks a bit of his career background to relate to what presently he stands for: "I had worked for over 5 sectors but I had never found comfort and really why I was working." John hated his first job [clerk] because he was being pushed up and down in the office, then promotion to an assistant team leader brought him little joy. He then worked in a finance sector as a team leader until when he was promoted to an export manager. "In all these jobs, I never had to make decisions on my own and mostly these were 'just jobs' to earn a living and not 'career jobs' to gain personal satisfaction..." when asked what gave him satisfaction, John explains that "one builds a career by having an 'enthusiasm or zeal' through gaining academic qualifications as well as experience in that job which my previous jobs lacked. "I have always been a great fun of marine life mainly fish...I own a small manmade lake near my house and being around the lake, seeing how beautiful fish is, augmented my passion for protecting depleting stocks of traditional white fish by investing in a model business processing plant..."

JOHN talks about his doubt and confusion about what CSR is: "I have come across a number of definitions which are diverse from my original understanding ie 'businesses' obligation to pay taxes while obeying the law' but through the different meetings with UBCSD-consultants, I can see that CSR is more about the businesses' contributions beyond the law and paying taxes to engage with communities for better societal life...however, the WBCSD's definition seems not to include the environment in its 'face-value' although I have to admit that

Appendix C

its listed among what the business' core values should be..." John confesses that his business has only concentrated on local community societal and the environment in its CSR commitment: "we are involved in 'JOHN sustainable fish project' which promotes a sustainable fishing on two of the big lakes in Uganda... protects the young fish from bad fishing methods and also offers the local communities with free equipment to catch acceptable fish on market which intern we buy off the them at the good prices." The business trains local fishermen on sustainable fishing methods [internal control systems ...the business is very keen on sustainability by using fishing methods which are environmentally conscious..."

It took John a number of considerations to engage fully in CSR practices, he says that "there were growing *demands from buyers* for my business to have some form evidence that we was involved CSR." The supply chain has become very demanding with such community development activities that SMEs [suppliers] having to engage in such activities such as "JOHN sustainable fish project" which was a leeway to various international business buyers, he said. Protecting the future of the fishing industry is very vital for the business, future generation as well as the environment. John has been driven by the *media demands on businesses* to be responsible in order to combat issues like pollution and climate change. "...the *NGOs as well such as the WBCSD demands* on businesses to engage in communal, developmental and environmental effects have brought me up-to-date with the notion..."

JOHN sees CSR practices as a cost to the business saying that "real' CSR benefits in my business seem to be a long term adventure however, basing on demand of our 'sustainable' fish products to America and now in Europe, the business' projected future in terms of *profits is good*. There has been great *change in the livelihood* of local communities around the two lakes which John attributes to the 'JOHN sustainable fish project.' "...we are very proud of our endeavours in sustainable fishing methods introduced to protect the environment..."

Kenneth - Boss – Leisure & Tourism sector.

Ken has been a client since UBCSD inauguration in 2007. We have occasionally met at his club and talked about football since we are both Arsenal FC supporters. Ken is an extremely diligent person, who inspires confidence and yet retains a fairly unassuming manner. Ken owns a night club where he employees *84 staff*.

During the interview, Ken reflected on the environment in which he grew up, saying "My father used to look after many children, paying their school fee and maintenance....But I can tell you that these children used to come before us [biological children]...it took me a long time to grasp his [father's] attitude..." Ken continues that "My father always has played a great role in the way i see things in this world....15 years ago, I never noticed that street children were eating out of waste but this all changed by dad's endless bids to take them off

Appendix C

the streets.” He relates his attitude to having his own children and thinking about how life could be if they end up like those boys and girls on the street. As a child, Ken had everything he desired from having two maids looking after him to getting all the toys he desired to play with. Noticing the difference between himself and other children made Ken realise how lucky he was: “The moment I understood that all the riches were my father’s and not mine, my attitude about life and other people in general changed.....I imagine how life is for those in need, and that in itself drives me to make a difference in this world.”

CSR is a very new notion in Uganda according to Ken. He relates to CSR as, “Managing business processes to produce an overall positive impact on society... It involves considering all stakeholders while making business decisions and giving back to the society for the wellbeing of the people and communities where companies operate from.” With regard to the external social responsibility practices that the night club engages in, Ken hastily said, “the night club is highly devoted towards internal CSR activities which we consider more realistic than just external activities... we have a number of voluntary activities geared towards staff empowerment, development and wellbeing.” However, he said, “the business too engages in some external CSR practices for example, we are running a project with one orphanage which helps displaced children to have access to normal life.....also in continuation to my father’s legacy, the night club is running a full scholarship programme that sponsors five female music students [mainly disc jockey] to Makerere University... and last year we launched a recognition award programme for academic excellence for students and teachers at all levels.” Furthermore, the business sponsors the Challenge Women’s Basketball Tournament.

Ken is driven to CSR engagements by *family*: “Growing up seeing my father working very hard to look after everyone in the home including the extended family has been very inspiring.... As a result I am a natural believer that when you give education to a child, you will have created a future for him/her. This is what my father gave me thus I always respond to educational *crisis* when it arises,” says Ken. Moreover CSR is a public relations concept in Europe and USA where very many Ugandans are now settled and as such Ken believes that CSR practises was essential in his music business *entering these two new markets* [Europe and USA]. Ken reflected on how substantial number businesses in Ugandan especially MNC are trying to engage in developmental issues such solving global challenges in MDGs: “Today’s SMEs are motivated by their large business counterparts to engage in CSR as well as being a general requirement for all those within the *supply chain* to show that they are equally ethical....The ‘Coca Colas’ of this world are building schools therefore SMEs like us should join them in implementing their initiatives such as working with parents in encouraging children to attend classes,” he suggested.

Ken says that small businesses struggle to see the benefits of their CSR engagement. “It’s very hard to relate most of CSR’s intangible benefit to the

Appendix C

small businesses' successes or failures. However; this doesn't stop my approach because I think it's *my personal contentment to engage with society where possible.*" He was very pleased that "on top of my personal contentment, the people I have helped and engaged within different projects have not disappointed me..... I have created a brand name which has grown globally *increasing our market base and reputation.*"

Kumar: Director – Manufacturing sector.

Kumar is a client in his role of 'Director for Operations and Sustainability' for an air conditioning solutions firm employing 88 staff. He is a friend that I have known for over ten years. We met regularly during the formulation of the CSR policy for his organisation. He is a confident, respectful and responsible individual.

During the interview, Kumar revealed that he had just bought 60% of the business making him the majority shareholder. After the death of his father, Kumar invested all his inheritance into the air conditioning solutions' business having seen a gap in the market for air conditioning products and services in Uganda. "I spent eight years in Canada studying and working as an environmental engineer and I learnt a lot about the environment and what we [people] can do to save it." He developed an enthusiasm for the environment and then decided to make a living out of it whilst working towards saving it. Kumar has worked for a number of large businesses within the sustainability sector before starting his own business. He returned to Uganda after acquiring a degree in engineering and started the business that works towards saving the environment.

When asked about his understanding of CSR, Kumar related CSR to "businesses' activities towards society and environment in consideration of the present and future." Kumar calls on business owners to show appreciation to customers by being responsible for their wellbeing and the environment in which they operate. He says: "I hear all sorts of excuses amongst small business manager that they are not trained to deal with CSR.... such managers are slothful because most of us [SME managers] don't have university degrees to manage other aspects of our businesses thus I believe that we [SME owners/ managers] have all the qualities, time and other resources to manage CSR activities." He reflects on how his business has incorporated CSR practices into its day-to-day operations. He narrates that the air conditioning solutions firm has put the environment at the heart of its operations. For example, stakeholders demanded that Kumar should help local hospitals to in improving air-conditioning facilities. The business is now committed to working with the National Environment Management Authority (NEMA) towards environmental protection by providing greener air conditioners to all government hospitals in the central region replacing the existing anti-friendly environmental ones. Furthermore the business is committed to the development of the community through its partnership with the Habitat for Humanity to build three homes for homeless

Appendix C

children, and organising and sponsoring Blood Donations to the Nakasero Blood bank.

Kumar reflects on *religion* being the main driver for his socially responsible actions: “Everyone in my *family* is a devoted Christian and we never miss Sunday services. After church, the community would gather in the church hall to make donations to poor families....This would be in form of money, food or anything...” Kumar remembers when the community made donations towards the payment of ‘dowry’ (bride price), to his Aunt’s family before she could get married since her husband could not raise the required amount. Such community cultural practice is still a motivator: “When one is in a crisis, so is everyone in that community.” *Family and past incidents* too are Kumar’s CSR drivers. He remembers his 21 year old sister who died due to lack of her blood group match at the hospital; thus the initiative to engage in organising and supporting Blood Drives for the Nakasero Blood Bank. Furthermore Kumar reveals that whilst in Canada, “I felt that time was right for me to do something about Uganda’s development challenges such as poverty.” He further emphasises that *development challenges motivate* him to make a business donation towards the cause.

Kumar’s business has *gained customer loyalty, reputation and maintained the goodwill* from the community, he said. Good reputation has helped the air conditioning solutions firm to *strategise itself in the market* thus increasing the *turnover* which Kumar attributes to the business’ environmental responsibility. He says that he will continue to engineer the act of doing the right thing for the present and future generations. On whether the business’ external CSR practices are contributing to Sustainable Development, Kumar strongly acknowledges the attributes that small businesses made a great contribution towards Sustainable Development. Small businesses are at the heart of Sustainable Development. For example, Kumar’s business provides shelter to over 25 homeless children from the neighbourhood slum area. He wonders whether those children would have been alive today without their involvement. He calls on the Government and NGO such as WBCSD to further their effort in promoting CSR practices within small businesses because all businesses should contribute towards a sustainable future.

Lawrence: Senior Consultant – Consultancy sector.

Lawrence is a colleague at UBCSD in a similar role of the SME Sustainability Manager. He owns a consultancy firm employing *13 personnel*. He comes across as an articulate, bright and very analytical individual. Lawrence demonstrated his analytical nature by expressing his concerns regarding what an SME meant to him: “A SME is any organisation setting... The SME definition is arbitrary and varies significantly.” He continues saying that “the first problem we are facing is that we have failed to have a universally accepted definition of SME.” Although he was almost convinced with the WBCSD SME definition: “The WBCSD criteria of 1 – 100 employees seem appropriate for our small and medium enterprises in developing economies.”

Appendix C

Lawrence relates his life history to his career: “In 1989, I volunteered for a local charity as a fundraising officer and that is when I realised that small businesses did not have anyone to contact with management issues such as how to incorporate CSR in their operations.” As a volunteer, Lawrence neither had the time nor the resources to help SME managers with management challenges. Nonetheless, business managers at the time thought that businesses were independent entities from society. “‘Businesses in societies’ was one of Lawrence’s modules at university in which it was highlighted that businesses do struggle to survive without a good relationship with societies they operate in: “When it comes to SMEs, this is factual as customers are in the society where they operate.” Lawrence points out that he developed a compelling need to start up a consultancy firm to help SMEs in some of these managerial problems. “When I joined one of the largest international consultancy firms, I was fortunate that my first objective was to work with business owners on the importance of businesses’ contribution towards community development,” he remembered. Lawrence says that he never looked back since then, ‘Business and Society’ turned out to be a passion rather than just a job.

Things are very different from when economist Milton Friedman made observations that the ‘business of businesses is to do business,’ Lawrence observed. He says that even SMEs in developing economies have realised that **profit maximisation** can never be their sole objective. As a result they have joined MNC in contributing towards environmental protection, welfare of employees and communities at large. “Such practices were perceived to be large firms’ responsibilities. However, CSR is now thriving under a different ‘unknown’ jargon and with different approach in most developing countries...CSR is about how ethical these firms are internally [towards staff] and externally [environment and the supply chain]...” Lawrence says that his consultancy firm is voluntarily organising training workshops to help SMEs understand CSR reporting requirements which is now *a supply chain requirement*. He says that “we help SMEs with what CSR is, how do to engage in it and how to write the basic CSR report...” In conjunction with other entities, the consultancy firm protects communities against adverse reaction to incidents such as vector-borne diseases like yellow fever and malaria: “*We give out nets, repellents and other general protective measures against biting arthropods*” Lawrence says that his business is environmentally friendly too: “We reduce environmental footprint with practices through *recycling and reuse opportunities for waste water and by-products....*“...we collaborate with company ‘Y’ which collects confidential documents generated by other offices and business within our supply chain, and compresses them into bales which are taken for recycling... such collaboration were agreed by the stakeholder board”

Lawrence said that the driving factor for him to engage in CSR is not the external pressure but an internal drive to ‘*change things around for the better*’ or ‘*giving something back to the community*’ by empowering managers with management skills

Appendix C

towards the cause. He further linked his *career* to the CSR engagement with memories of his volunteer job with the local charity: “I practically realised the importance of businesses’ engagement with communities.” *Supply chain* requirement is another driver: “we consult for both large and small businesses but firms will conduct business with firms that are responsible enough not to ‘dent’ their reputation...if you say that you recycle office papers, then those you your supply to may want to know or see evidence of that, so the supply chain makes SME more ethical than what even Governments stipulate...”

Crucially the one business benefit that the consultancy has gained from being a responsible firm is *reputation*, says Lawrence. “Other than low price differentiation, reputation holds the business’ flag...There are now a number of business consultancies in the country, but we have secured contracts because we are trusted and our ethical strategy matches the values of the principle company although we are a small business.” Lawrence indentified *innovation* as another benefit his consultancy has explored: “we have had service innovations through community development, health and education gained from our social involvement plus environmental innovation which comes from the consultancy’s eco-friendly activities.” He says that there are a few things in life that people take for granted and in most cases the environment is one of them. Leading by example, the consultancy opted for energy saving electronic equipment, of which the business *saved on its electricity and water bills by nearly a third last year*. “CSR activities may not increase your turnover but can help businesses cut costs such as switching off lights and other inactive electrical appliances to reduce electricity bills,” reiterates Lawrence.

Richard – Managing Director – Household, Furniture & Furnishings sector.

Richard owns and manages a furniture store employing *12 staff* in a deprived region in western Uganda. He is a client whom I have met many times on SME development workshops. His enthusiasm for businesses and environmental issues made me decide to include him as a research participant.

During the interview, Richard reflects on his life history and how it has had an influence on his business decision making. From childhood, Richard developed an enthusiasm to help others especially children. He grew up seeing the family owned business changing hands from his grandfather to his father and little did he realise that he would be taking over one day: “my great grandfather owned acres of land with three quarters occupied by a natural forest.” The family reserved the forest to sell timber or use it to make furniture. This was the family tradition for many years and it created problems between the community and Richard’s family. As such there was nothing short about the family-owned business’s emphasis on making profit as opposed to community relationship. Richard reflects on his father’s aphorism that ‘we are here to make money and not to impress the community.’ When Richard had just finished college, his father died it was his turn to drive the business. In order to take the business

Appendix C

forward, Richard made a few changes such as he granted the local community access to the forest but only to collect small branches of firewood and reserve the big trees for the family business. “I launched the selling of mattresses to compliment the beds too,” Richard said. The business grew from one store to three stores in the first year of Richard’s management regime. He recalls a business growth as he engaged more with the community.” Richard believes that there is a strong link between business and its environment: “Simple strategic directives like allowing the community to collect firewood from the forest do not change the business’s prosperity,” he recommends.

Richard considers the business’ responsibility to society and environment to be one of the most important itineraries to any business success. He says that “CSR is the achievement of success in ways that honour ethical values while respecting society and the environment.” Richard calls on businesses to minimise all negative environmental and social practices and only concentrate on positive ones. His business has been involved in giving back different resources for good cause: “In all the three communities where I have furniture stores, we run projects with local primary schools aimed at educating the future generations on the importance of forests to the environment in addition to ways of reducing the destruction and exploitation of the world's remaining natural rainforests...We have donated football kits for these schools too.” Richard further says that he has also been involved in running campaigns aimed at stopping *child labour* amongst subsistence farmers in the three communities. The furniture stores have renovated the once biggest Post Office in the region that was destroyed during the 1979 war. “After the Government granted us a licence to run postal services again, we gave out free-of-charge a section of our business’ premises to the Post Office so as to improve communication with rest of the world,” Richard said. Other furniture shops have convenience stores that sell products that meet the daily needs of the community: “Older people in the community used to walk miles to the nearest trading centres just to buy salt and sugar,” he remembers. The furniture business depends entirely on tree as raw materials yet they are the prime ecological disquiet in the Uganda. With the fears of ozone depletion, climate change and global warming, Richard says that his business is protecting the ecology by giving out quality seedlings for trees like Empress, Willow Hybrid, Acacia, Lombardy Poplar, Nutall oak Tree and Eucalyptus that grow fast instead of the natural rain forest trees as recommended by the board. “We have also started recycling papers, toners and old furniture as well as using energy saving bulbs in all business stores,” Richard declared.

Traditional behaviours and spiritual beliefs have been known to be carried on by those that take over family businesses, but Richard broke the tradition: “I had to make some changes. I started with my mentality of sharing the family wealth by permitting the community to collect firewood from our forest.” He narrates that “at college I had learnt that community interaction with business does bring success and that was my reasoning behind that decision.” Richard has witnessed a number of people making a positive impact in other people’s lives, and this has

Appendix C

inspired him to be listed among those individuals: “*Being part of history drives me to get involved in a number of activities.*” Changes in the world have also awakened individuals such as Richard to act on global issues such as climate change. He said that Barrack Obama is very right with his recommendation that ‘the world is changing so we must change with it by acting now.’

“It makes good business sense to connect with the community,” Richard recommends. Society consists of all the consumers who determine the firm’s success therefore, creating a good relationship with them contributes to the *business’ reputation* which is known to have *financial gains to the business*, he noted: “Before I took over the family business, it was really struggling until I re-established a good relationship with community in which our business is operating.” The furniture shop has benefited from environmental campaigns such the tree plant project which *protects the environment by having a positive impact on ozone depletion, climate change and global warming* through planting more trees.

Lynn: Chief Executive officer– Biotechnology & Pharmaceuticals sector

Lynn is the Chief Executive Officer for a chain of pharmacies operating in central Uganda employing 67 staff. I met her at Nottingham University through my uncle while she was undertaking her pharmacy degree. I have enormous respect for her calm, friendly and professional conduct.

In the interview, Lynn tells a very touching story on how she lost nearly all her family through HIV/AIDS: “I lost my father, mother, sister and two brothers to HIV/AIDS in seventeen months.” As a result Lynn was raised by her grandmother in absolute poverty with no immediate family except having to visit them at a graveyard. She knows very well the hardships of being an orphan. She counts herself very lucky to have been educated to become a pharmacist: “There are very few of us in Africa who are this privileged...” Lynn remembers the time when she learnt that an AIDS orphanage school was closing down in her home town because the Government wanted to turn it into a military barracks. She was in the middle of her final examination at university “....I was very disturbed by thought of children being denied the right live and the fact that no one was opposing this ridiculous Government idea...until my graduation day, I was hearing those children crying for my help...” She said that she would never forgive herself if she never took action. She bought land in the same community and built a home to re-settle these forgotten AIDS orphans...” Lynn reflects on her life saying that “since I lost nearly my entire family to AIDS, the only thing that has kept me going was my husband and other orphans because they are my family now.”

Lynn initiated an interesting proposition that she does not think the ‘CSR’ *term is attractive and appropriate to SMEs*: “I always thought that CSR is designed for large businesses and MNCs considering that SMEs are not ‘corporates’ and most small businesses are put off by just the mere term without even knowing what it means.” However, businesses have to be innovative by including creative and

Appendix C

value-adding solutions to their problems; which is the reason why Lynn thinks that CSR is the combination of social, environmental, and economic thoughts into the business' decision-making structures..." She observes that CSR is not the giving of donations [philanthropy] for public relations in society or complying with the law but taking responsibility of society needs and finding sustainable solutions: "I have to emphasise that these solutions should be long term and not finding a place for soldiers to sleep at the expense of displacing children in an orphanage school..." With the support of her husband, Lynn decided to use some of the profits from their first pharmacy to turn the home she built into an AIDS orphanage school as part of the pharmacy's CSR practice. She says that "the community was very supportive of the cause in that, they too donated furniture and beds, volunteered to build and work in the school..." The pharmacy is running 'a mobile HIV/AIDS testing van' carrying out confidential HIV testing and offering HIV/AIDS counselling within the communities. "We cover over 11 villages visiting each of them fortnightly conducting medical camps, school health check-ups and health education in schools... We are also involved in hygiene and sanitation programmes within these communities ..."

Lynn discloses that recently her business sponsored a college to offer hands-on skills and training to the unemployed youth in the community in areas like carpentry, plumbing, photography and tailoring with the aim of creating entrepreneurial skills among the school dropouts or the youths in general. "We deliver medicines to the aged and poor patients on repeated prescriptions who cannot afford to get medicine for diseases like cancer, leprosy or even mental illnesses, etc..."

Lynn traces her CSR motivation from her life experiences: "I went through a lot of pain just because I didn't have a mother around me and I think this makes me look after myself and other people experiencing what I have gone through in life... My life history drives my cautiousness in making a *difference* in people's lives..." She adds that her husband [*shareholder and family*] has been an inspiration in all she is doing: "I got married at 19 years. Since then my husband has been very accommodative with all those ambiguous ideas concerning orphans and community development..." She supplements jokingly: "I think this has been possible because I am married to another orphan-doctor." Lynn associates her CSR motivation directly to her *religious and spiritual* beliefs: "I think it comes from the inner belief of commitment which we [Christians] make during the seven sacraments [Baptism, Eucharist, Reconciliation, Confirmation, Marriage, Holy Orders, Anointing of the Sick] – **we get them** in the name of The Father, The Son, The Holy Spirit'..."

Lynn says, "Social responsibility activities have assured long-standing relationships with our customers who in turn have secured business sustainability and performance in terms of *profits*. This has enabled us to continue engaging in various community development practices... due to our good relationship with the community and the customers, our pharmacy chain has achieved a superior *recognition and reputation* throughout the country..." At the

Appendix C

same time, Lynn declares her personal satisfaction as her greatest achievement: “I have gained more personal satisfaction than a business case from CSR involvement.” Lynn reflects on her feeling when ‘a sixteen year old girl’ stopped her on the street said “Thank you Mum for all you have done in my life and many others; you are the reason why I am still living’...Talk about businesses making millions in profits, the feeling is unexplainable and that is the true benefit of these activities. At this time, a tear was dropping from her eye and hence the decision to end this interview.

Masudi - Manager - Automotive sector

Masudi is a Manager of a family run mechanical workshop which employs 9 staff. He is a well-known UBCSD client because his workshop is where the council’s vehicles are serviced. He always comes across as humble and organised although he confesses that he is a bad listener.

Masudi traces his involvement in social responsibility practices from growing up in his father’s workshop environment. He describes his father as “illiterate and one of a kind...he shared his wisdom with nearly the whole community [slum in central Uganda] especially to us, the 14 children. “The ‘Old Man’ as he was known in this community did not only train you, but always advised you on how to make it in this world,” Masudi said. He remembers the time he started going to the workshop: “When I was ten, I started going to the workshop where the old man encouraged young boys to learn by watching skills in motor engineering...he shared with them everything from our old clothes to his lunch that Marlon [eldest brother] delivered to him from home.” During the time, this was fun for us [sons] that we all wanted to go to the workshop to be just like him and also earn the daily Shs 3000 [£1] that the old man gave to each apprentice to cater for their transport and meals,” he recalls. Masudi remembers the day his mother asked the ‘Old Man’ why he had to employ young boys from the slums instead of qualified workers who were available on the streets and his reply was simply that ‘those boys are our sons, having a chance to show them how to make a living for themselves made him very satisfied and being a staunch Muslim, he knew Allah will pay him back one day.’ Masudu admittedly said that it has taken Masudi over 15 years to understand what his father meant by that response; “the ‘Old Man’ was *personally satisfied through helping others...*”

Masudi testifies that “All along I never thought that small businesses could have such an impact on addressing social, economic or development problems considering the amount of budgets that they are run with...I used to blame past and current governments for their failure to address those issues as I thought that it was primarily the government’s responsibility...It was not until registering with UBCSD that I understood the voluntary practices which my father and I have been involved in for many years are what academics refer to as CSR...” He jokes about his father that “I highly doubt that the ‘Old-Wise-Man’ knew this...” Masudi was able to explain that he takes CSR to be a “notion which encourages businesses to consider society’s interests by having a positive responsibility for

Appendix C

all stakeholders and the environment.” The automotive workshop is involved in an apprenticeship scheme in conjunction with two technological institutions in the country. Masudi remembers how shocking it was seeing university graduates with such low practical know-how thus the reasoning behind the scheme. The workshop also continues to help displaced and homeless children within the slums by developing and training them in motor engineering skills. In the past year the garage sponsored 4 of these boys to a local driving school to acquire PSV driving licences which have enabled them to become truck /bus drivers. With great pride Masudi said “people or businesses do not need millions of £s to make a difference giving an example of his workshop managing to distribute 100 free condoms and basic HIV/AIDS prevention information to the people living in this slum area...and we had to do something to reduce the number of people dying in our community.”

Throughout the interview, Masudi consistently talked about his father as his greatest inspiration. He says that “We grew up seeing the ‘Old Man’ getting involved in a number of activities within the community. Thus when I took up the business, I had to continue his legacy.” Masudi adds that *religious beliefs* have a lot to do with his CSR involvement. He affirms that “We are devoted Muslims and from childhood, my family used to donate clothes to the poor and serve iftar dinner [evening meal for breaking the daily fast during Ramadan] to all those who prayed with us during Ramadan [holly Islamic month of fasting]...these donations are called this Zakat – which means ‘purification’ - Our belongings can only be purified if we give away a certain proportion of it to those in need... It is like cutting tree stems to allow fresh ones to grow...”

When it comes to the case for CSR, Masudi quickly interrupted saying “I have to emphasise that we have been involved in all those voluntary activities informally for a very long time and their benefits would be very hard for me to trace...” However, the main gain from the workshop’s involvement in an apprenticeship scheme is that it has produced over 250 mechanical engineers who have subsequently opened up their own workshops, employing and training others mechanics throughout the country: “I remember Matovu [a former apprentice] was only 15 years when the ‘Old Man’ brought him to the workshop, and now he owns a workshop and has also taught other apprentices on a similar programme...” Masudi compliments that the workshop has grown over the years and a lot of people in and around our community tend to express their gratitude to the staff because of the practices which have improved the business’ *image and reputation*. For example, Masudi remembers: “I am called the ‘Condom-Man’ which I am very proud of as long as I manage to save someone’s life in my community...”

Max – Chief Executive Officer – Creative & Media sector

Max and I are social friends who always interact during our free time especially at the golf club. He owns a radio station which employs 97 *personnel*. Max is inquisitive, playful and cheeky.

Appendix C

During the interview conducted during a golf game in which I was a Caddie, he talks about his decision to come back home [Uganda] after completing his studies in America: “A lot of Ugandans educated in America and many European countries never return home because they are afraid of not getting employed.” Max reckons that this brain drain will continue until the African Government lays a strategy of rewarding its brain talent. However, returnees should be job creators rather than being job seekers. Job creating is what Max did by opening up a radio station which ultimately has a great socio-cultural impact to the community. Max says, “This was an ultimate answer to my childhood curiosity about my purpose and dream of taking a lead through helping others.” He says that there was and still is a lot of self-inflicted problems in Uganda and time came when he felt that he needed to be part of the solution. He values his time in USA for developing the fear of God factor and love for his country: “Americans are God fearing people and very proud of their country thus the saying ‘God bless you and God bless the United States of America’...my thoughts always went to my motherland [Uganda] and I decided to stop living in pretence and ask the Lord to bless Uganda openly because we vigorously need it [God’s blessing]...It was the right time play my role in the development of my country by emulating what I had learnt in America.” Max is thankful to God and his family for the exposure in USA and his accrurement of professionalism and ethics understanding: “America is known as the country of great professionals with ethical understanding, and this helped me learn that the backbone of any business in today’s market lays upon it’s management’s ethical understanding and how well they strategise to fit in communities where they operate....”

Max makes a remark saying that it is very important to create a good liaison with communities where businesses operate in addition to doing business with them. He relates CSR to be the ‘ethical behaviour of a firm towards the total welfare of society by integrating the economic, social and environmental voluntary activities in the business operations.’ He says that CSR is defined in accordance to the radio station’s strategy of linking up effectively masses through knowledge and information transfer activities. Knowledge and Information transfer is the main CSR channel that the radio station uses to connect with the community: “Our radio stream links up effectively with targeted masses by creating developmental awareness amongst communities.” Max identifies voluntary interactive radio programmes and public service announcements aimed at social development: “Road safety programmes...prevention first – prevention of **vector diseases** and hygiene for mothers...entrepreneurship guide-programmes for poverty eradication where successful business people and consultants offer young entrepreneurs advice and guidelines...prevention Doctor - sex education and HIV/AIDS awareness programmes for children...know your rights – human rights awareness for both employers and employees...Our Environment – climate change, natural resources and Global warming educative programmes...beyond your family – women empowerment programme.” The

Appendix C

radio station also sponsors sports teams in the community and volunteers in infrastructure building. Max emphasises that his *station is environmentally friendly through practices like recycling, re-use and on-site waste management.*”

Max associates his *religious beliefs* with the decision to implement CSR practices in the station structure: “I am a God-fearing and loving man.” He says that he reads the bible daily whenever he can and goes further to quote ‘Mark 10:17-27’ - where a man asked Jesus: ‘Good Teacher, what must I do to inherit eternal life? And Jesus said to him to go, sell all he had and give to the poor, and you will have treasure in heaven.’ Max is inspired by this reading that reading from the bible and believes that thinking about those in need is God’s will. He reminds business people that business success is not only about profits, but actually a profusion of everything – social responsibility, wisdom, love and may be even money. He remembers that he left America to *make a difference* to Uganda’s economy and this has been a motivating factor to his involvement of CSR practices. He says that “I want *people after me to remember* me as a man who cared about others or who made a difference in their lives.”

“My benefit from CSR engagement is more personal than business rewarding,” Max says. He reflects saying that “every morning on my way to work, I tune in to ‘Good Morning Kampala’ [station’s morning show] and it is very rewarding to hear people calling the programme with words of appreciation for the work we do in the community and to me this is the business’ case for CSR.” There are some business oriented gains from the CSR engagement too: “From community engagement, we have been able to turn the radio station into an international brand...We are a worldwide station through the internet stream connection with listeners worldwide...” In addition CSR practices have played part in building *customer loyalty* on grounds of ethical values which has resulted in great radio *reputation* for our charity and environmental contribution.” Max emphasises that CSR has been vital for the station to fulfil its ultimate objective of connecting with the local community at both national and international level.

Olivia – Owner manager - Education

Olivia is the manager of a bookshop which employs 26 staff. I met Olivia whilst networking at conferences in Durham and Nottingham business schools. It’s after these conferences that we continued networking with each other since we are both interested in CSR. Olivia is a professional who adopts formal approach to her work.

During the interview, Olivia tells a story about her upbringing: “I used to work as a tea-girl with my mum at a Sunday market so I could earn my college fees.” She worked hard to get good grades although not good enough to make it to university on a government sponsorship and unfortunately her family could not afford to financially support her through university. Olivia remembers the first time she read a text book, this was during the later stages of her A’ levels: “All along, it was only teachers using text books with students having to take notes

Appendix C

during classes.” She tells me that having failed to get to university; she turned to working with her mum in a family restaurant whilst devoting her evenings to a small reading class consisting of her younger brother and two nephews. She said that the reading class grew tremendously as about 25 children joined. Olivia realised that children were not able to read and write because they did not have resources in terms of text books to help them improve these skills. “This is the exact problem I faced whilst still in school,” she remembers. Olivia decided to open up a small bookshop where parents and teachers could buy text books to help children with their reading and writing. “Eventually, with my mum’s permission, I turned the two rooms next to the bookshop into a public library where children and the general public can read quietly.” She bought a typewriter as well for students to use in preparing college assignments in addition to providing two daily newspapers for the general public to improve awareness of current issues. The local community’s perspective changed: “...even the community leaders who thought I was out of my mind starting a public library idea had the opportunity to learn and see how a library can benefit the community by witnessing the improvement in students’ reading, writing, counting and English speaking...”

Olivia is in support of Peter Drucker’s emphasis on an organisations’ obligation to take responsibility for its impact on employees, the environment, customers; and needless to say that her understanding of the CSR concept is based on the guru’s thoughts: “A business doing the right things by taking into account all the social, economic and environmental impacts that business practices have in the long term.” She demonstrated an interesting philosophy that “*in today’s world, MAD leads to M² [Making A Difference leads to Making Money] where MAD is the right thing to do for all...*” Olivia discloses that the bookshop is involved in a number of CSR practices from education, health, community development to environmental protection. She says that “With a literate society, there is always no limit...thus we engage in practices that are aiming at educating the community...” the bookshop funds the public library from the small profits: “We organise reading awareness workshops, offer two scholarships to the best female students who fail to join the university on annual government sponsored scheme; offered financial support to one disabled student needing treatment for critical illness at the international hospital in Kenya, continues to support the Ministry of Health campaign on wash your hands; engage in rural clean water education.....offers after-birth financial support to mothers as well as being used as a community centre; and we provide information on the importance of environmental preservation and also we have a tree planting project near the library...”

Olivia discloses that she has been subject to discrimination: “I have been subject to tribal discrimination as well as witnessing a number of people being discriminated against because they belong to a different tribe, religion, age, race or gender; I have tried to make a difference by empowering people by sharing knowledge which they gain from the public library...” she further explains, “I

Appendix C

am a winner and I do not take failure for an answer...For example until now, failing to join the university is still a driver to achieve things.” Olivia further identifies the government as a source of motivation towards her CSR engagement: “There are always government calls through media on everyone to have a social, economic and environmental responsibility of which the bookshop has tried to provide answers to such calls...not forgetting iconic individuals such as Nelson Mandela, Barrack Obama, Dr Martin Luther King etc. Reading about such individuals creates questions such as what will I be remembered for? [Legacy].”

Olivia’s business has a very good *reputation* for being the first bookshop to encourage publishers to use only recycled paper in books they publish. “...building a reputation as a responsible business has *differentiated* us in aspects of *branding, recruitment and staff retention*...” she said. Olivia remembered one lady who travelled 35 miles to buy the ‘Harry Potter and the Goblet of Fire book’ just because she ‘preferred to buy from an ethical bookshop.’ She identifies further benefits the public library has generated eg *positive press coverage* which is an effective *marketing tool* as well as creating good relationships with local people that increases the annual *profit margins*.

Raymond - Owner manager - Agriculture, Horticulture & Fisheries sector.

I didn’t really know Raymond – a 65 year old owner-manager of a coffee growing business before the interview, although I had met him once at one of SME-UBCSD conference in southern Uganda. The small family business established over 3 decades ago, employs *5 staff* in the small village town in western Uganda. Raymond presents himself as a direct, authoritative and atheistic man who believes that everything belongs to the community. “The beauty of coffee roasting belongs to the community where the roasting happens,” Raymond emphasises.

Raymond tells a story about his father and how everything belonged to the community to everyone’s satisfaction. He says, “My father owned this coffee business with all coffee growers having to be members of community associations - coffee marketing board. All coffee grown would be harvested, taken to the coffee marketing board for processing and every grower would be paid accordingly. Once one of the usual coffee growers was unable to come up with a substantial amount, all members would contribute towards his insufficient share: “This was very satisfactory with everyone because we all knew what was happening with the other’s harvest.” Simultaneously Ray’s father “was a member of ‘Muno Mukabi Group’ [a community welfare group] that assisted anyone in the community during funeral and burial of their loved ones by donating food and firewood... Women used to collect water and assisted in cooking for mourners, while men constructed graves and shelter.” community members would help one another voluntarily in other developmental issues. Even those people who believed in ancestral spirits within the community, used to pray to their ‘gods’ for rain and good harvests in the community, he said. “We grow our

Appendix C

crops near water streams such as lakes or rivers or even planted trees around or near the farms because as you know from your biology, through photosynthesis and transpiration, excess water in form of water vapour gets into the atmosphere leading to precipitation [rain]...” He then jokingly says “you see, a long ago, people used also to look after the environment as well although we are now faced with such bigger problems like climate change or global warming.” Raymond states that “Community togetherness, everyone’s involvement and open dialogue with one another should be the answer...these were passed on to us although we are struggling to pass them on to you [the current generations] due to changes in the world today.”

On the term CSR, Raymond was quick in saying that “I am not sure about the term ‘CSR’ in ‘SMEs’ as it seems to relate only to ‘corporate businesses’ detaching small businesses like us..... But, from my understanding, it should be everyone’s responsibility to look after one another in our communities, staff and the environment.” He says that small businesses are community based representatives of Governments thus they should be involved all sorts of business initiatives. When it comes to what external CSR practices his business is involved in, Raymond says that his business took over the coffee marketing board’s role of buying coffee beans from small farmers. My business promotes these small famers by buying their coffee at prices above the market value: “*this gives community based farmers a secure and sustainable source of income*” he said. The business donates *15% of its profits to women farmers in the community and local environmental schemes*. Raymond also revealed that his business donates old coffee roasters to small coffee growers in the community and “we provide *training* to the growers on how to use them”

Raymond traces his drivers towards CSR from “the strong *family values* of community being “family” as well as past political leaders in Uganda who have been very selfish.” Raymond goes on to say that “I hate seeing *people in crisis*.” When a community is struggling, “I feel *it’s my responsibility* to help in any way possible.” He tells another story from past; “about 15 years ago, Radio Uganda aired programme every Tuesday at 2230hrs when Dr Samson Kiseka - (then vice president) addressed the nation and the one thing that he always advised everyone was to *save the Ugandan environment for our future generation* [children] and also work hard to get out of poverty...Activists such as the *media* have motivated many individuals like myself towards being socially responsible.”

On the business’ benefits from CSR engagement, Raymond reflects on how hard it is to attribute business success to CSR practices. He however, mentions that his family business has gained in *customer loyalty* and *goodwill* of the community in which it operates. He notes that “Our *reputation* has been on the increase due to the projects we are involved in within the community.” Raymond was very positive regarding the impact CSR has on staff retention: “it has been very easy for me to *get and hold* on to these 5 fantastic staff that I have.....Nearly every

Appendix C

week I get young well qualified boys and girls interested in working for me because they want to join a business that gives back to the community.”

Restituta – Director – Clothing & Fashion sector

Restituta is a client I have professionally worked with towards her business' inauguration of a CSR policy. Restituta's fashion house employs *36 staff* operating in the central region of the country. She comes across as caring and responsible for others.

During the interview, Restituta disclosed that as a child she was psychologically and physically abused by her father. “My dad was an alcoholic, he used to come home late in the night, wake everybody up and start beating us including mum in my presence...My father made me feel that I worthless, unwanted and endangered...I was harassed to work, denied food and physically abused.” At this time we mutually agreed to postpone the interview since she was getting uncomfortable with tears in her eyes. At a later date and at a different location, the interview was resumed with Restituta saying that “we [Restituta and her mother] as well as many other children and mothers who experience a lot of torture and abuse at the hands of men who are the heads of the households: “A lot of women and children are abused during their teens ending up as prostitutes and many die of HIV/AIDS as a result.” She adds that men were always right because they are the heads of households. Women were inferior and were always left at home cooking and looking after children. “This kind of abuse made me rebellious to the point that I ran away from home at 15 and ended up living in the city with my auntie who loved fashion and clothes.” She remembers the lovely times when her auntie took her to fashion shows; these were some of my best moments in my life, seeing families happily together during shows was amazing...I couldn't stop imagining how it would have been with dad and mum being there with me.” Restituta's passion for clothes and style was rewarded by getting an opportunity to study fashion and design at a College in London where her auntie was transferred to. “In the UK, women are treated like ‘queens’ whereas children are valued as the future generation.” After 10 years in London, Restituta decided to return to Uganda. However, she says: “before my return, I took an HIV test and unfortunately the results came back positive...this was the hardest period of my life nevertheless I decided to find ways of living a positive life as well as helping other women who are living a similar life to mine.....I believe that my personal life experiences are my greatest drive in helping others.”

Restituta relates to CSR as, “the ways we treat people equally, sharing the little we have with the community and how business people protect the environment.....” The Fashion Power House is involved in external CSR by paying towards *vocational training* in hairdressing, tailoring or business skills to sex workers who are on the city streets. Restituta reveals that 390 former sex workers have completed vocational training and have been given a hairdryer or sewing machine to help set up their own small businesses as an alternative way of earning a living. Also in one of the businesses centres, Restituta says “We

Appendix C

provide education to girls and women especially sex workers on HIV/AIDS prevention; support and offer counselling services, family planning and testing for sexually transmitted infections [STIs].”

Restituta traces her motivation towards CSR activities from her childhood abuse. She reflects that “I have always been very passionate about women empowerment, of which I believe to have picked up from *my mother*...She is a very hard working woman, who tries to help family members as well as others in the community especially women. In addition, *changes in the environment and social disasters and injustices* around the world have made her make a positive contribution to the cause. Restituta made an interesting observation, saying that “most people and indeed small business owners feel that such practices [CSR practices] are a government responsibility. Yet the Ugandan government has shown little interest, therefore, it is *everyone’s (business) responsibility to help where government has failed*.”

Restituta quickly says that as woman owner-manager involved a few CSR activities, “It gives me great *personal and moral satisfaction* when problems in society are solved. On the business side, Restituta discloses that there has been an *increase in revenues* albeit she cannot correlate the two...” Furthermore, there has been an enhanced *reputation* of Restituta’s fashion house for its ethical responsibility.

Robert - Managing Director – Construction sector

I knew Robert - client and a Managing Director for a small construction firm employing 76 *staff* directly – although we [with another friend] occasionally had informal business meals in my bid to purchase property from his firm. The impression one gets from him is of a laidback, sociable and charming individual.

Robert recites a story about the Head Teacher who saved his education by offering him a part-time job on campus. “I failed to raise school fees when I was left with only a year to graduate...Mr Ssali [the Head Teacher] was inspecting progress on the new girls’ dormitory when I asked him if he would employ me on the site so as to raise my tuition fee.” Mr Ssali told Robert that it was against the school regulations to employ students. However, the next day, he waived the regulations because “he too is a parent who understood my situation [mother and father died in an accident two years earlier]. The Head Teacher allowed Robert to work on site but only after classes. “CSR must be adding value in people’s lives just like Mr Ssali’s value adding opportunity to allow me work on school site.”...I managed to raise fees this way until graduation but little did I know that I would use that experience to change so many lives...” Robert said

Robert has a very interesting insight on what CSR is and should be: “...CSR is more than the businesses’ philanthropic donations...society expects to be at the receiving end of the spectrum. However small business cannot afford such donations without landing into big debts, costs or losses since our [SMEs] prime

Appendix C

objective is survival...” Therefore, Robert believes CSR should be and is “an opportunity rather than a cost whereby businesses lay a strategy of meeting the sustainable societal, environmental and economic goals...” With regard to CSR practices, Robert says that his construction business engages their clients in the construction of their projects which he calls ‘give and take’. He explains that, “We normally bid for contracts in unique ways by involving people that the properties are intended to for.” He gives an example of their ‘community fixer project’ – where the construction company secured a contract from the local charity trying to stabilise the homeless, jobless, alcohol and drug addicts. “We offered to involve the project beneficiaries [homeless, jobless and alcohol and drug addicts] by training them into professional builders...Our main aim was to give back directly to those communities where we operate by transforming those people’s lives ...” The business has also built community houses using bricks and other building materials bought from the locals. Sustainable homes for low income earners such as women groups, teachers, police and civil servants as well as schools, hospitals and prisons have been built. “We have always negotiated various low affordable payment options such as low flexible mortgages for teachers, police and civil servants whilst asking government institutions to supply us with workers such as prisoners on community service as part of the deal or students during their holidays to minimise labour costs.” Robert says that occasionally students have been employed on a part-time basis throughout the business’ sites to allow them to secure some pocket money whilst gaining valuable building experience.

Robert’s CSR motivation is purely rooted from his *cultural belief* where society has always been a family: “I grew up with my grandmother in a small village where everyone in the community was part of family, helping one another with goods such food during dry season...Everyone was responsible for one another eg children could be punished by any elder within the community...I remember one elder in the community punishing ‘Kasumba’ [a friend] for playing in the middle of road on his way from school.” Robert reveals that working at the school building site motivated him to realise that people do not need to be spoon-fed but they have to create opportunities for themselves: “CSR is about creating opportunities for those in need, then work with them towards a common goal and not the current philanthropic behaviour of giving money to corrupt individuals or institutions... money has always been donated but does not get to those it is meant for...It is rather sad but it turns out to be a motivation for us work together to *make a difference* in people’s lives...” Robert relates his CSR drivers to one of the business’ objective: “I believe people always think that we [business] exist solely to make profits...Yes, profits are good for our survival but only if the business is any good to those that support its existence.” He says that one of the business’ objectives was and still is to be the first building business in the country to ‘make a contribution to society’ through building – a ‘slogan’ that every business is using these days and still one of the reasons why his company even now stands.

Appendix C

Robert is a strong believer in the business case for CSR: “There is always a case for CSR at all stakeholder levels...Our main success story so far has been ‘the community fixer project’ - out of the thirteen former drug and alcohol users that registered on the programme, we have taken on seven, two are now qualified and now maintenance workers to the charity and the four are still struggling with their addictions.” In principle, these guys are the reason why I am still engaged in this CSR strategy. He further predicts the long-term *profits increase* due to the business’ growth as another advantage. Robert also says that his construction company has gained a strong *corporate reputation* which has been fundamental in securing new contracts: “CSR has helped us build great relationships with *investors, banks [access to loans], local communities and mortgage customers*; which in turn has reduced all sorts of *management risks*...” The environment is also very important part of Robert’s business strategy: “I am very proud of making a contribution to environmental protection through sustainable buildings built using eco-friendly construction techniques...”

Roger – Boss – Agriculture, Horticulture & Fisheries sector.

I knew Roger as a client albeit occasionally meeting SME development training programmes to new SME managers. He is known as “boss” to an organic crop growing and exporting firm; employing *14 staff*. The business also provides marketing, promotion, and training to over 57 similar rural farmers many of whom are women and socially disadvantaged farmers. My impression of Roger is that he comes across as a dedicated leader although may sometimes seem very difficult to work with.

During the interview Roger tells the story about his father who had 23 children from 3 wives living in same house. They all grew up together with no problems except minor disagreements which are expected in such a large family. He remembers his father advising his wives never to create any divisions amongst his family because “we are all one person.” Roger’s father emphasised fair treatment amongst family and community: “I remember during meals, he always wanted to see what everyone had in their plate and if at any time there was any discrepancy in the amounts (especially meat), he would offer his share to the ill-fated one.” This taught Roger the importance of sharing and looking after one another from an early age, says Roger. His father had a formula on how an individual can help solve the world problems: “My father taught me one great concept he called ‘1+3=5’ emphasising that when solving a problem, the outcome should always be greater than its actual intentFor example, “...I work towards decreasing pollution as means of tackling climate change, and this is for the benefit of everyone on earth not just my community or country.....When one member of the community is shown how to overcome a problem, be rest assured that you have helped three others with a similar problem....Those helped will also share the solution with other community members....I think this is what is called a ‘synergy’I try to carry the same idea

Appendix C

in my personal and business life hoping that one day the world problems will be solved...”

Roger’s understanding of the CSR terminology comes from his incorporation with large businesses: “I first had of the terms ‘CSR and Sustainability’ probably in 2004...I was asked to implement certain criteria for my produce to be accepted by one European buyer. The buyer required only organic crops grown under the international organic standards.” He said that the CSR definition considers the international organic standards: *“Running a business in a mode that meets or exceeds the ethical, legal, commercial and public expectations that international organic standards has of business....* in my view we contribute voluntarily to ecological, social, cultural, economic or animal welfare aspects through the conservation of cultural landscapes, biodiversity, protection of the environment, minimising soil erosion, decreasing pollution and supporting social interactions by our farmers....We promote socio-cultural activities like the preservation of rural customs in community. All these activities are in line with CSR and the business’ principles...we also try to help three struggling women farmers annually with some resources such as *money, time and guidelines to help them improve their produce and empowering women.* This is in line with my father’s principle of ‘1+3 =5’....”

Roger identifies *family* to be his second motivation towards all he does. He says, “I am lucky to have been raised around great people who have a heart for others for example my father was a great humanitarian activist. Likewise my wife is a gender equality activist.” He credits *NGOs such as Export Promotion of Organic Products from Africa (EPOPA)* who have played a big role in the way CSR is understood and how it is incorporated within the supply chain by raising the platform for African products on the western market. The *international organic standards* have also motivated farmers to engage in such practices so as to have a universal code of practice....”

With regard to the benefits of CSR engagement, Roger considers himself an ‘internationally known businessman.’ He acclaims his small business: “I have been invited to international conferences, meetings and workshops to tell my success story.” The business has gained a lot of *reputation globally* to the extent that we will be exporting our products to USA early next year. Roger started farming with his wife, but “right now we have grown to 14 staff, exporting our produce to 3 European countries and we will extend these to the USA next year.” The business *profits* have increased as well as for other farmers especially *women in the community* are assured of a sustainable future. Roger feels that the business is having a considerable contribution towards the environment as a result of the organic farming methods imposed...”

Ronnie – Managing Director – Food & Drinks sector.

Apart from having a client – consultant relationship, Ronnie and I barely knew each other although we occasionally met at SME regional development

Appendix C

workshops. He is the Managing Director of two small scale restaurants in the northern region of the country with a total of 21 *employees*. My impression of him is of a very organised, focused and passionate individual who works hard to succeed.

Ronnie tells a story from the past saying that, “I used to weigh 465 pounds and wore size 58 at 16....I became obese due to my bad eating habits and having no proper advice on its consequences.....I nearly dropped out of school due to the abuse and bullying I went through.” At 26 years, whilst a finalist at university, Ronnie decided not only lose weight by gastric bi-pass surgery but to come up with an ideal business model inspired by his passion for food which would help other people with similar difficulties. Ronnie says “It was very expensive to have the surgery done in South Africa and I am very thankful to my family.” He has lost nearly 300 pounds in the seven years, but the process has been made easy by his caution on what and how much he eats. “When I look at parents taking their children to fast food restaurants, I feel like I should tell them my story hoping that it might make them hesitate and get them thinking about healthier choices and what children should eat.”

Ronnie believes that CSR is all about businesses performing responsibly and contributing positively to the communities in which they operate. “It involves working with employees, their families, the local community and the society at large so as to improve their quality of life and protect environment we live in,” he said. Ronnie considers CSR as the only way businesses address needs and challenges that require instant consideration and actions for the benefit of those living today and those in the future. “Every business in its capacity large or small has enough resources to engage in CSR to an extent...” He says. Ronnie’s restaurant serves only healthy options on its menu which is in consideration of a healthy society. He said, “We are trying to offer the public with healthy food options whilst creating awareness of the dangers of bad eating habits and obesity. The restaurant organises workshops for primary school children about to creating awareness of bad food eating habits and obesity in society. It also sponsors the ‘Healthy First Programme’ in conjunction with the local health club that gives interested restaurant customers a free 3 month gym membership voucher. This programme targets mainly women and children who are taking the lead in educating members of their families about living healthily. Ronnie disclosed that the restaurant prepares only organic food grown by the local farmers hence promoting those farmers who have the environment at the heart of their crop growing. Ronnie says that the restaurant also caters for the underprivileged community members: “At close of business, we pack all the unsold food, send it to a local charity that feeds street kids and the homeless in the evenings...this food would otherwise have been wasted while these people need it.”

Ronnie views his *family and personal values* as the main drivers towards CSR: “I come from such a large family but we all stick together and are there for one

Appendix C

another.” Ronnie believes that his business is doing the right thing for the community and the future generation, especially with practices like encouraging of the young children to stay fit and healthy. Outside the organisation, customers demand and will only associate with ethical businesses [*stakeholder activism*]; “Restaurants are not far from this, we have had customers asking us to prove that we use organic crops therefore in order to stay in business, we need to offer and prove customers’ needs.”

With regard to the business’ benefits from CSR engagement, Ronnie believes that there are long-term benefits for the restaurant and the community in addressing the obesity problem: “Addressing the obesity problem has created long-term *reputation for our restaurant* within the community.” Ronnie believes that his business’ engagement in CSR has created a *good relationship* with the community which *secures sustainability* for the restaurant. Ronnie developed a business model based on locally organic ingredients and food, which has led to the *development of farmers’ markets* in the local community.

Sam – Boss – Retail sector.

Sam and I met at the UMA trade fair when I was assigned to inspect the progress of small business exhibitors. It is then, that I introduced the UBCSD forum to him of which he became very interested. Contact has been maintained until the day of this interview. Sam appears as a mature, jolly and warm-hearted individual. His sportswear complex is located in the city and employs *16 members of staff*.

During the interview, Sam reflects on his childhood; revealing that his parents had him whilst still college students thus occasionally referring to himself as an ‘unplanned kid’. “Time and again, I saw dad fight with mum while growing up and as you know that when two elephants fight, it’s the grass that suffers; I was always the grass,” he said. When Sam was 10, his father stopped supporting him. As a result his mother had no other option but to ‘dump’ him at his grandmother’s. “I never saw both of them again,” he sadly said. Sam used to go with his grandmother to the market where she had a stall, whilst boys of his age were at school. This kept Sam away from children of his age: “I enjoyed playing with other children when they returned from school and these children used to play games that they had been taught at school which put out of the day’s playing time. Because my grandma was unable to pay my school fees.” He on the contrary learnt a lot about business whilst working with his grandmother. When he was older, he became independent and after sometime he ventured out on his own and started trading in second-hand shoes in the same market. He remembers, “The beginning was very difficult but grandma was always there to help me.” Whenever Sam opened a bale of shoes, he found at least one pair of football boots, which he kept at home until he had collected 45 pairs and decided to sell them to football clubs and schools. He recalls, “This was the hard way of my business structure.” Sam looks at his upbringing as an inspiration for

Appendix C

everything he does to-date especially the voluntary work he puts in towards children in need. “Nothing comes easy when a child is without parents around them and that’s why I try to engage more with orphans and street children.”

When it comes to his understanding of the term CSR, Sam says, “CSR is a new terminology to me and to be sincere, I heard about it for the first time at the UMA trade fair [when we met at the trade show].” He goes on to say that “knowing that it is the voluntary social, economic and environmental activities that my business engages in within the community makes me aware that it is same practices that I have been involved in for many years.....The term or name shouldn’t matter to most Ugandans but probably the awareness of such practices is more important.” He is known to be the leading sports sponsor in Uganda: “We have been engaged in very many different sports sponsorship for example football tournament like ‘*Bika*’ (clan) football tournaments, athletics, basketball tournament and boxing.” Above all Sam is passionate about children in need and he thinks that sports and business can make a big difference to the lives of these unfortunate children. The Sports complex has been one of sponsors of Kampala Football Kids League for many years – [over 170 boys and girls from different schools, orphanages and street children’s organisations take part in football, basketball, mini cricket or baseball tournaments]. It also gives 25% discount to all students and schools that shop at the sports complex. Sam also revealed that “we have about 40 orphans that the business is paying school fees for and this number increases by at least 20 orphans annually”

Sam traces his motivation towards CSR from his *family negative experience*. He stresses that he thinks that all human beings should have a share of happy childhood; and because he had a difficult one, he is motivated by giving underprivileged children a chance to have a happy childhood. He believes that it is everybody’s responsibility to do something for the benefit of others in communities in which they live or work. “We should not wait for donors and the government to help...It is *everyone’s responsibility*, including businesses to fight poverty and diseases like malaria or even HIV/AIDS and probably leave problems like infrastructural development to the government.” Sam disclosed that he has shares in a Japanese business which is engaged in a number of CSR activities under the ethics theme. “I have always wanted my businesses here to operate under similar approaches, codes of conduct and standards like those I see in the West or even in Asia, therefore I am motivated by mandatory *standards* from the developed world.”

Sam says that benefits gained from his business’ involvement in CSR practices are enormous. “There is always enhanced motivation, commitment and personal development among my staff... The Sports Complex staff are very proud of what the business does for the community thus their *increased commitment* towards the business success.” The business has established a *good reputation* amongst people in the community: “Our customers are based mainly in the central region where we have been branded the number one sports shop” he said. Sam

Appendix C

reflected, “All these orphans that we are paying school fees for would have had a very difficult life ahead of them but at least now, I am certain that they will have something [educational skills] to relay on.” We are very proud of our contribution to their lives.” The sports complex is contributing to economic *and social development of the community and the country at large.*

Smith – Senior Executive – Education sector.

I knew Smith through his consultation, training and educational work he offers to primary teachers and small businesses. He is the senior Executive of a small private company that employs 25 staff, selling educational equipment and tools used in school. It was not until 2007 that his business was registered by UBCSD and this is when our professional relationship became even more concrete. Smith comes across as a shy man but articulate in what he says.

During the interview Smith says that his business allows primary school teachers to change from the boring traditional classroom teaching methods to the new set of tools [games, flip charts, and puppets] that engage children and foster their creativity. Smith witnessed a problem of memorisation and repetitive learning techniques in Uganda’s educational system: “...as a volunteer in eastern Uganda at a primary teacher college aimed at building the capability of village teachers, I realised that children didn’t enjoy their classroom routine due to the unfortunate traditional teaching methods and equipment used.” Smith decided to make a small contribution that could bring joy and effectiveness into rural classrooms. “The idea was not to make a business until I found out how difficult and costly it was to maintain the whole thing...I failed to secure constant funding for the project and as a result the project was turned into a business which offers local employment and social impact using environmentally-friendly materials...I have always had a passion for children hence I tend to help these beautiful creatures [children] in any way possible.” Smith shared a very distressing driver towards his work with children: “I was diagnosed with diabetes that led to an erectile dysfunction (ED) which disabled me from having my own children... This made me treasure children so much that I try to work towards their happiness... I believe that children should not suffer in any way because they are innocent creatures...” The interview was adjourned and we drove to the nearest restaurant for lunch to allow more time for Smith to recuperate who was passenger at the time of this interview. After 45 minutes we continued our four hours journey to our destination.

Regarding his take on the meaning of CSR, Smith said that he has opted to use the triple bottom line (TBL) notion as opposed to ‘CSR’ because it’s the latest evolution of what is often reported as CSR. He explained the difference between accountability and responsibility when it comes to TBL: “I am responsible for CSR in my business; however, sometimes I delegate some CSR responsibilities to my staff. No matter who does what, the business is still accountable for its actions towards stakeholders... thus I think TBL or call it CSR is a quantitative reporting of a business’ economic, environmental and social performance of

Appendix C

standards of the previous year...I normally put the previous year's TBL reports on the business' website...whereas corporate sustainable development tends to be qualitative and focusing on the future.." He reckons that "we are pursuing a TBL under three themes of profits, people and planet: profits – we invest some of profits into projects and track sales systematically to ensure sustainability and create capital for ongoing business improvements. For example we worked with a 'foundation' in Uganda which develops a children's hygiene puzzle that details the process through which a fruit grows through from the time the tree is planted until it gets to our mouth...With People – we produce products and services that are designed to serve Uganda's vulnerable populations. For example we train primary school teachers on how to use Conflict Area Supplemental Educational Materials that we supply to primary schools in Uganda...we work with children to develop a training chart detailing the story of a girl who is raped, infected with HIV, and how she decides to seek support rather remaining silent so as to continue living a positive life...We create a set of promotional materials and a communication strategy to educate lead farmers on the benefits of the Warehouse Receipts System (WRS). This is a system involving the issuing of documents, Warehouse Receipts (WR), as evidence that specified commodities of stated quantity and quality have been deposited at a particular location by a named depositor(s). The use of inventory is usually collateral for ease access to finance and lowers financing costs, especially for SMEs...We also develop and give free booklets about human right especially to children suffering, being bullied and abused...We have develop an advocacy poster and logo for water and sanitation issues and how to prevent malaria..." with regard to the planet – we collect recyclable items from other businesses and the community at large which is recycled to make educational equipment and tools for schools: "Our products are recycled from grain sacks, plastic containers and jerry cans, cardboard, bicycle spokes and wire, bottle tops etc...this way, we are creating recycling and environmental protection awareness to all stakeholders in the community."

Smith traces his motivation towards CSR practices from his college life: "I spent my junior years in an innovative adult education program which helped me to understand what my *values and morals* are in life and these are my drivers in everything I do.... I realised that I valued *educating children as a tool which can solve any problems in society*" Smith is optimistic that once all children are educated, problems such as poverty, diseases, wars, etc could be solved. The *development challenges* in developing economies are encompassed within my ethical values; "I would do anything to see to it that children are taught in an acceptable and enjoyable manner." Smith adds, "In Canada [his country of birth], TBL is a business legal requirement that has to be abided by all businesses although in Uganda such practices are purely voluntary...I have to promote these *international standards* wherever I am because I believe it is the right thing to do by everyone."

Smith believes that CSR or TBL has brought enormous success to the business and community. He revealed "Our *recycling methods* have reduced operational costs which

Appendix C

in the end have increased our profits. The business has as result extended its market base to Kenya and Tanzania. The business has grown into a *reputable business* amongst different communities and institutions such as UN, UNIDO and now WBCSD who are promoting the business' primary teaching tools to other communities. "Our involvement with larger NGOs like Save the Children, DANIDA and WHO; has created new ideas that are *very innovative* when developing new products for example, the HIV/AIDS snakes and ladders and the malaria, clean water as well as sanitation charts."

Vivian – CEO – Financial services sector.

Vivian is a client - CEO of a Rural Microfinance Bank employing 69 staff in eastern region of Uganda. My brother introduced me to her having both been at the London School of Economics for their MBA. Vivian comes across as a professional, intelligent and straight-forward lady, especially during the three interview phases for this research.

Vivian reflects on her experience of living in seemingly two extremes to this world: "While as a student in the UK, I realised that the world has two extremes - one with people living on less than one dollar [\$] a day and the other with its citizens choosing go without food or sleep on street as all essential needs are provided either through housing and income allowance, incapacity benefits, tax credits etc." Surely geographical inequality made Vivian think of ways to make a difference in people's lives especially in rural Ugandan villages where more than 38% of the population live in absolute poverty. Vivian used her academic knowledge in financial and business management to establish a rural microfinance as a way to combat such inequality and poverty within these local communities. She notifies that "...a micro loan of £20 has been an escape root for many small business owners and their families out of poverty in these rural areas." Vivian remembers the financial situations in rural areas during the time she returned to Uganda: "the financial institutions were mainly located in urban areas hence meeting needs of the urbanised communities.....small businesses in rural areas could not get banks services such as loans due to lack of business licences and collateral..." Vivian's rural bank changed the situation somehow however, its customers [mainly in local communities] needed help in terms of advice and guidance by working with them on how to turn their ideas into profitable ventures to overcome poverty..."

Vivian concurs with WBCSD's CSR definition: "A continuing commitment by businesses to contribute to economic development by improving the quality of lives in communities where they operate...basically businesses should be responsible for developing people in communities they operate in and this should be done by working with the communities and not just throw money at them or activities to develop, especially in Uganda where corruption is rampant...through this direct engagement with the community, the bank is regarded as the greatest contributor to both economic and social development in

Appendix C

our community.” She emphasises that “It would have been an easy job for me just write cheques instead of the direct engagement in CSR activities that we are part of....But working directly with communities makes a real difference in people’s lives...” Vivian explains a number of external CSR activities that the microfinance: the bank offers; “Low interest loans to local small business and individuals and works with them by offering professional advise on how to increase returns...rural development and self-employment training to our customers especially farmers in addition to offering advice on business improvement strategies...work with customers by financing rural innovations that have been recognised, respected and rewarded by the Uganda innovation authority...scholarships to the best two girls in Primary Leaving Examinations so as to empower women and overcome gender equality.” Regarding the environment, the bank donates unwanted office equipment and computers to local schools libraries as a recycling scheme plus the bank is associated with a local clinic to partly sponsor a 24-hr free emergency outreach drop-in clinic for the local community.

Vivian sees a connection between her *family values* and CSR engagement, however motioned that her culture beliefs have always influenced her. She remembers “Christmas time in the UK brings together close family such as spouses and children whereas in Uganda, from father, mother, sisters, brothers, cousins, uncles, nephews plus nieces.” Such cultural beliefs and family values have motivated Vivian to engage more with my extended family since “it seems am related to everyone in the community.” She has further been driven to *making a difference* through improving people’s wellbeing and profitability of the business: “...because there are a lot of Ugandans living in poverty, my business can grow while working together with these people; of course we are not exploiting them but as a business we get a bit of profit while working with them out of poverty...” And finally Vivian wants to leave behind a *legacy* and a sustainable world for all people that she engages with.

Vivian clearly states, “We don’t engage in these activities with prior expected targets such as to increase profits.....if it so happens that a unexpected profit gained, we will take it and maybe invest more into these CSR practices... when benefits are passed around, it’s good for everyone in the community.” In contrast she says “We established a very *good reputation* among our customers which has expanded our business network with other *local and international financial institutions*...” Vivian explains that *personal satisfaction* is the most important gain from engaging in CSR. She tells a story about ‘Namanda’ – “a lady who used her first loan of £20 to rent a small room and buy stock (charcoal and flour); two years on, she has managed to expand her business with our help. She now operates a small shop enabling her to afford school fees for her two daughters on top of buying herself a plot of land to build a home for the family ...” Vivian says that such a success story is better than the bank declaration of abnormal profits at the end of the year.

Appendix D

Appendix D: Ethical Review Checklist

Staff and PhD researchers at Portsmouth University

This checklist should be completed by the researcher (PhD students to have DoS check) and sent to Sharman Rogers who will coordinate Ethics Committee scrutiny.

No primary data collection can be undertaken before the supervisor and/or Ethics Committee has given approval.

If, following review of this checklist, amendments to the proposals are agreed to be necessary, the researcher must provide Sharman with an amended version for scrutiny.

1. What are the objectives of the research project?

- To develop an understanding of what CSR means to SME owner-managers in Uganda
- To explore the nature and drivers of the various external CSR practices/activities amongst SMEs in Uganda.
- To develop a conceptual model for SMEs to adopt in identifying CSR practices useful to community development.
- To explore whether SME/CSR practices contribute towards sustainable development in Uganda.

2. Does the research involve NHS patients, resources or staff? YES / **NO (please circle).**

If YES, it is likely that full ethical review must be obtained from the NHS process before the research can start.

3. Do you intend to collect primary data from human subjects or data that are identifiable with individuals? (This includes, for example, questionnaires and interviews.) **YES / NO (please circle)**

If you do not intend to collect such primary data then please go to question 14.

If you do intend to collect such primary data then please respond to ALL the questions 4 through 13. If you feel a question does not apply then please respond with n/a (for not applicable).

4. What is the purpose of the primary data in the dissertation / research project?

Appendix D

The primary data will be used to update research findings in “SME/CSR” area so as to enhance accurate facts and figures to be used by the researcher, BCSDU/WBCSD employees and other practitioners with similar interest of the “Small and medium enterprises and their contribution to sustainable development through corporate social responsibility activities” in the Sub Saharan African Region.

5. What is/are the survey population(s)?

A case study (BCSDU) will be used in this research project – 120 Small and medium enterprises (SMEs) available on the Business Council for Sustainable Development Uganda (BCSDU) database

6. How big is the sample for each of the survey populations and how was this sample arrived at?

30 Small and medium enterprises’ manager/owners will be interview from the 4 regions of Uganda

7. How will respondents be selected and recruited?

The researcher has been granted access to the BCSDU-SME database and the SMEs selected randomly have formally agreed to take part in WBCSD/BCSDU researches through a formal agreement between BCSDU, Research and themselves.

8. What steps are proposed to ensure that the requirements of informed consent will be met for those taking part in the research? If an Information Sheet for participants is to be used, please attach it to this form. If not, please explain how you will be able to demonstrate that informed consent has been gained from participants.

At the beginning of each interview, the SME managers/owner and the researcher will sign a consent form of a copy will be kept by the participant, a copy sent to the BCSDU and another copy kept by the researcher.

9. How will data be collected from each of the sample groups?

Data will be collected through in-depth interviews (using life history research method) with Small and medium enterprises managers/owners.

Appendix D

10. How will data be stored and what will happen to the data at the end of the research?

Data will be sorted using the Nvivo software and then stored at BCSDU Uganda data store.

11. How will confidentiality be assured for respondents?

- Respondents will be assured that the information they provide will be use for research purposes only and will be kept confidential at all times.
- Each potential participant will be adequately informed about the aims, methods, anticipated benefits and potential hazards of the research and any discomfort it may entail
- Any documentation given to potential participants will be comprehensible and there will be an opportunity for them to raise any issues of concern.
- Participants (SME managers/owners) will be informed that they are free to withdraw their participation at any time.
- The Research will follow the WBCSD/BCSDU procedures for making complaints and participants will be made aware of this.
- If any inducement will be offered to participants like transport fare, soft drinks during interviews (though unexpected) then, this will be declared and should will be in accordance with the BCSDU guidelines.

12. What steps are proposed to safeguard the anonymity of the respondents?

- Organisations/SME owner-managers will be given different names thus hiding their identity throughout the research project
- The research project will conform with legislation relating to data protection.
- Details that would allow participants to be identified will not be published, or made available, to anybody not involved in the research unless the individuals concerned give explicit consent, or such information is already in the public domain.

13. Are there any risks (physical or other, including reputation) to respondents that may result from taking part in this research? **YES** / NO (please circle).

If YES, please specify and state what measures are proposed to deal with these risks.

The risk to the respondents that **may** result from taking part in this research project may include *Anxiety or distress to participants,*

Appendix D

misrepresentation during analysis, *identification of the participant by self or others* may lead to prejudice and reprisal to the participants or their wider social group.

I intend to use the following measures to avoid or minimise such the risks.

- **Informed Consent**

Informed consent will be obtained from participants in form of a signed consent form where the participant will be agreeing to take part in the interview session. I will inform participants about the overall purpose of the research and its main features, the potential uses of the data as well as of the risks and benefits of their participation. All participants will be made aware on how the research project is designed and how the WBCSD and BCSDU will use the research findings from the data they will have provided to me. This is aimed at making participants comfortable during and after the in-depth interviews.

- **Misrepresentation and misinterpretation**

I intend to use 'Respondent validation' whereby I will feed back the analysis/findings to the participants (only those interested) before the findings are published. This way, I hope to have reduced the risk above.

- **Responsibility to the participants**

My responsibility to the participants includes issues such as ensuring confidentiality, avoidance of harm, reciprocity and feedback of results. In ensuring confidentiality I may not report private and confidential data (sexual attitudes, preferences or practices; use of addictive substances; illegal conduct; information that could damage an individual's financial standing, employability, or reputation; medical record information that could lead to stigmatisation or discrimination; any information about an individual's psychological well-being or mental health) that identifies participants within my publication. Although I intend to ensure anonymity by not recording participants' real names of the participants at all and to provide an information sheet that asks for verbal rather than signed consent.

The risk of harm to a participant will be negligible as I intend to carry out research interviews in safe environment.

There will be reciprocity in what participants give and what they receive from their participation in this research project. I will share their experiences with themselves. I intend to give time to help out, providing informal feedback, making coffee, tutoring or being a good listener.

Appendix D

14. Are there any risks (physical or other, including reputation) to the researcher or to the University that may result from conducting this research? **YES** / NO (please circle).

If YES, please specify and state what measures are proposed to manage these risks.¹

As a researcher I **may** be faced with anticipated risks in form of:

- ***Physical risks***

The research project may suffer bodily harm — minor or serious, temporary or permanent, immediate or delayed as a result of avoidable circumstances for example illness. I intend to allow time between stages within this project. Time management will be vital. I have been allowed time off work during the field work stage (to carry out interviews)

- ***Psychological risks:***

Study participation may impact upon the research project's perception of self, cause emotional suffering, e.g., anxiety or shame, or may induce aberrations in thought or behaviour. However, I am very ready for this project and all that come with it. I hope to get Psychological and emotional support from supervisors, family and work colleagues during times of discomfort.

- ***Economic risks:***

The research project will bear financial costs related to research participation for example I have to travel to four regions of Uganda. Also some parts of the country (Uganda) are not politically safe at times (Northern Uganda). As a result of all this, I have made some savings for all these trips and other costs that I am likely to encounter while in the field. As for security, I will only travel to these areas if I have to or when it's proven safe to do so.

As for the university, once I follow all the ethical values set out, the university will have less or no risk from my research project.

15. Will any data be obtained from a company or other organisation? **YES** / NO (please circle) For example, information provided by an employer or its employees.

If NO, then please go to question 18.

¹ Risk evaluation should take account of the broad liberty of expression provided by the principle of academic freedom. The university's conduct with respect to academic freedom is set out in section 9.2 of the Articles of Government and its commitment to academic freedom is in section 1.2 of the Strategic Plan 2004-2008.

Appendix D

16. What steps are proposed to ensure that the requirements of informed consent will be met for that organisation? How will confidentiality be assured for the organisation?

Again, Small and medium enterprises (SME) real names will not be used anywhere in the research project and this will be stressed on the consent form that will be signed by the interviewee and the interviewer.

17. Does the organisation have its own ethics procedure relating to the research you intend to carry out? **YES** / NO (please circle).

If YES, the University will require written evidence from the organisation that they have approved the research.

(PLEASE SEE RESEARCH CONFIRMATION LETTER)

18. Will the proposed research involve any of the following (please put a √ next to 'yes' or 'no'; consult your supervisor if you are unsure):

- | | | | | |
|--|-----|--------------------------|----|-------------------------------------|
| • Vulnerable groups (e.g. children)? | YES | <input type="checkbox"/> | NO | <input checked="" type="checkbox"/> |
| • Particularly sensitive topics? | YES | <input type="checkbox"/> | NO | <input checked="" type="checkbox"/> |
| • Access to respondents via 'gatekeepers'? | YES | <input type="checkbox"/> | NO | <input checked="" type="checkbox"/> |
| • Use of deception? | YES | <input type="checkbox"/> | NO | <input checked="" type="checkbox"/> |
| • Access to confidential personal data? | YES | <input type="checkbox"/> | NO | <input checked="" type="checkbox"/> |
| • Psychological stress, anxiety etc? | YES | <input type="checkbox"/> | NO | <input checked="" type="checkbox"/> |
| • Intrusive interventions? | YES | <input type="checkbox"/> | NO | <input checked="" type="checkbox"/> |

19. Are there any other ethical issues that may arise from the proposed research?
Not that I am aware of.

Details of applicant

The member of staff undertaking the research should sign and date the application, and submit it directly to the Ethics Committee. However, where the researcher is a supervised PhD candidate, the signature of the Director of Studies is also required prior to this form being submitted.

	Name	Signature
Researcher	CEDRIC MARVIN NKIKO	cedric
Director of Studies		
Date	26/03/2007	

Appendix D

Approval by Ethics Committee

I/We grant Ethical Approval

FREC

Date

AMENDMENTS

If you need to make changes please ensure you have permission before the primary data collection. If there are major changes, fill in a new form if that will make it easier for everyone. If there are minor changes then fill in the amendments (next page) and get them signed before the primary data collection begins.

CHANGES TO ETHICS PERMISSION

VERSION: _____

Please describe the nature of the change and impact on ethics:

Please print the name of:

I/We grant Ethical Approval

Researcher _____ **FREC** _____

Signed: _____ **(Signed)** _____

Date _____ **Date** _____

(Please cut and paste the next section, together with the heading at the top of this page, as many times as required)

VERSION: _____ Please describe the nature of the change and impact on ethics.

Appendix E

Appendix E: Ethical Approval Letter from BCSU

18th-03-2008

Research Ethics Committee (REC)
Portsmouth Business School,
University of Portsmouth.
United Kingdom.

**RE: CEDRIC MARVIN NKIKO - CSR: AN SME CONTRIBUTION
TOWARDS SD GOALS IN SUB SAHARAN AFRICA - THE CASE OF BCSDU**

Dear REC Chair:

This letter is to confirm that I have reviewed the proposed research study entitled "CSR: AN SME CONTRIBUTION TOWARDS SD GOALS IN SUB SAHARAN AFRICA - THE CASE OF BCSDU" to be conducted by Mr Cedric Marvin Nkiko; an employee of the Business Council of Sustainable Development Uganda (BCSDU) and Doctorate of business administration (DBA) student at Portsmouth University.

I confirm that the research project conforms to the BCSDU's definition of research and the organisation's ethical procedures. Thus, BCSDU grants Mr. Cedric Nkiko permission to conduct the study using the organisation's database and we are willing to support him in making the study a success.

If you have any questions regarding this permission letter, please contact me.

Sincerely,

CHRISTOPHER LOBOWA
EAST AFRICAN COORDINATOR

Appendix F

Appendix F: Letter of Request to Participate in the Research.

LETTER OF INVITATION – Interview

Dear

I am writing to you to ask for your assistance in a research project which I am undertaking in order to fulfil my Doctorate in Business Administration study at the University of Portsmouth. The topic focuses carrying out a research project that explores the SMEs role and opportunity in addressing sustainable development challenges of the Sub-Sahara African countries when they engage with CSR. I hope to use the data you will provide will enable me come up with a framework for SMEs to identify stakeholders' social, economic and environmental needs and demands.

This research area is contemporary and very interesting as there is a gap in literature and practice regarding on the SMEs' engagement in CSR and how this overall contributes to Sustainable Development especially in the Sub Sahara African region. It is hoped that the findings of the research will benefit both BCSDU and practitioners such yourself driving the sustainability agenda. Therefore, your personal opinion on the subject would make an invaluable contribution to this research project and I would like to ask you to take part in the discussion.

You have been chosen because you are a BCSDU registered member owning or associated with a Small Business in Uganda. The interview will take not more than 40 minutes and is made of the following:

- Your understanding of both CSR and Sustainable Development concepts
- CSR activities your business engages with
- What motivates you to engage with those practices

Please find attached an information sheet and a Consent Form. These provide you with essential information about this research and provide assurance that the research complies with the University of Portsmouth Ethical guidelines.

The data collected during the interview will be handled confidentially and with care. I guarantee that all responses will be treated confidentially without any reference to your name or business. The results of the research will be published in anonymous form in business management journals, conferences and presents during BCSDU presentations.

Please let me know if you would agree to participate in the discussion and I will proceed with arranging our meeting at your convenience. Thank you in advance for your time and co-operation. Please free to contact me if you have any questions or problems.

Yours truly,

Cedric Marvin Nkiko

Tel: 0772502103

E-mail: cedric.nkiko @bcsdu.org

Appendix G

Appendix G: Statement of Informed Consent – Interview

Title of project

CSR: AN SME CONTRIBUTION TOWARDS SD GOALS IN SUB SAHARAN
AFRICA -
THE CASE OF BCSDU

Name of Researcher: Cedric Marvin Nkiko (Mobile - 0772409801)

This Statement of Informed Consent summarises how the researcher aims to assure participants anonymity and secure data collection, storage and usage.

Participants' names, positions and companies are confidential and are coded in accordance with the following example:

- Each SME owner-manager's real name will be replaced with different name unrelated to him/her
- Provided participant's consent, discussions will be tape-recorded.
- Tapes will be securely stored in a designated area with access limited to the researcher only.
- Recordings will be transcribed by the researcher only.
- Access to the transcripts is limited to the researcher and his immediate DBA supervisors only.
- Participants have the right to review the transcript of the discussion before it is used as part of this research.
- Transcripts will not be published or viewed by examiners.
- To illustrate data analysis process, direct quotes will be used without any reference to the participant's name, position or business. The above-mentioned coding will be used to attribute particular quotes.
- Participants have the right to withdraw from the research at any time.

		Tick here
1	I confirm that I have been informed of the nature of research and have the opportunity to ask questions	
2.	I understand that my participation is voluntary and that I am free to withdraw at any time without giving reason	
3.	I fully agree to take part in the interview under the terms above	

Participant's Name

Signature.....**Date**.....

Researcher's Name.....

Signature.....**Date**.....

Appendix H

Appendix H: Discussion / Interview Guide – Phase 2 and 3 **(Semi-structured interview questions)**

Introduction

Thanks you for agreeing to participate in this interview, which forms part of my Doctoral research at the University of Portsmouth in the UK.

The aim of this research is to explore the SMEs role and opportunity in addressing sustainable development challenges of the Sub-Sahara African countries when they engage with Corporate Social Responsibility (CSR). Data you provide will enable me devise a framework for SMEs to identify future stakeholders' social, economic and environmental needs and demands.

CSR is understood broadly to include the areas of Sustainable Development, Social responsibility, Environmental management, occupational health and safety, community investment and business ethics.

The interview focuses on your personal view and experiences as an individual and your business. By implication, the interview does not focus on the sustainability performance of your business or yourself.

The research method is qualitative and the style of the interview will be semi-formal and semi-structured, using a combination of simple diagnostics, prompting questions and open discussions. The discussion will last not more than one-and-a-half hours and with your permission, it will be recorded for easier analysis.

I guarantee that all responses will be treated confidentially without any reference to your name, position or company. Confidentiality and data protection issues are detailed in the Statement of Informed Consent (attached).

The main area of discussion will be the story of how and why you became involved or engaged with CSR or/and who or what inspires and motivates you towards that engagement.

The discussion is structured in 3 sections:

1. Your understanding of both CSR and Sustainable Development concepts
2. What motivates you to engage with those practices
3. CSR activities your business engages with

Thank you for your time and co-operation.

Appendix H

Please confirm the demographical information held about you and your business on the BCSDU database. These include:

- Your Name
- Position in your business/job title
- Business name
- Years of CSR experience
- Gender
- Qualification
- Number of Employees
- Industry/sector
- Years of International experience

Business background and the understanding of CSR and Sustainable Development

- How would describe your business?
- How would you describe your responsibilities in your business?
- What does the term Corporate Social Responsibility (CSR) mean to you?
- When did you first hear of CSR?
- Have you had of these concepts - Sustainable Development, Social responsibility, Environmental management, occupational health and safety, community investment and business ethics? If yes, what do they mean?
- How does CSR today compare with the previous years?

CSR inspiration/Drivers/motives

- Please tell me a little bit about your background and how you reached this position in your organisation.
- What is the story of how you came to be engaged with CSR? Please look back in the days and trace something/someone (could be a belief, experience or desire) that has inspired your involvement with social responsibility practice at an individual or business level.
- What are the other motives other than that in the story that inspire you to engage with CSR?

CSR activities/Practices

- What are some of the Social Responsibility activities that you engaged before registering with BCSDU?
- Have you made any changes in the nature of CSR activities that you engage with since registering and working with BCSDU?
- In your view, what are benefits of your engagement with CSR in your business?
- What challenges do you and your business face when trying to engage in CSR?

Appendix H

- If you were to look back in your/business life, what would your reflection be on how you and your business CSR practices contributed to sustainable development?
- How effective is both SHEF and CPSM to you or/and your organisation? (Probe for the owner managers' feedback on the SHEF as a whole.

Appendix I

Appendix I: Transferable skills through life activities

Employment	Education	Voluntary work	Leisure/Sports	Travel
Customer service	Research skills	Communication	Teamwork	Goal setting
Interpersonal skills	Academic writing skills	Teamwork	Achieving Team goals	Planning
Teamwork	Analytical skills	Interpersonal skills	Cooperation	Budgeting
Administrative tasks	Problem-solving	Customer service	Perseverance	Flexibility
Supervision	Project management	Commitment	Commitment	Adaptability
Time management	Goal setting	Perseverance	Aiming for excellence	Problem-solving
Communication	Planning	Caring for others	Communication	Decision Making
Work Ethics	Working to deadlines	Leadership		Appreciation of others
Attention to details	Working under pressure	Motivation skills		
Flexibility	Teamwork			
Adaptability	Leadership			
Leadership	Presentation skills			

EXPERIENCES VERSES SKILLS

Appendix I

Activities/Experiences	Skills and Qualities
Academic Work Doctorate in Business Administration Master of Art in Management BSc in Accounting, Business management and Information Technology	<ul style="list-style-type: none"> • Communication • Numeracy • Problem-solving • Independent learning • Teamwork • IT skills • Motivation skills
Job/Career BCSDU Derbyshire county Council Woolworth Plc Rolls-Royce Plc Derby city Council Lycos Corporation Inc ltd First-telecom company	<ul style="list-style-type: none"> • Lone working • Customer services • Teamwork • Financial analytical skills • Budgetary control skills • IT skills • Managerial skills • Time management • Leadership skills • Negotiation skills • Project management • Planning and controlling skills • Marketing skills
Voluntary work Rethink (mental health non-profit making organisation)	Volunteered with Rethink, as support worker for people with severe mental health problems. Skills gained include: <ul style="list-style-type: none"> • Communication and listening skills • Teamwork • Crisis intervention skills • Observing skills
Placement/ work experience Rolls Royce (Derby plant)	Held Research business personnel position. Skills gained include: <ul style="list-style-type: none"> • Communication, data analysis, listening, budgetary controls, teamwork
Student union representative Mountaineering club -Treasurer	<ul style="list-style-type: none"> • Teamwork • Planning • Numeracy
Leisure activities Socialising – clubs, playing & watching football, travelled to 86 countries across 6 continents; speak 6 languages	<ul style="list-style-type: none"> • Interpersonal skills • Personal confidence • Teamwork • Leadership • Organisational skills • <i>Speak Language skill</i>

Appendix J

Appendix J: MDG Progress

Goals and Targets	Africa		Asia				Oceania	Latin America & Caribbean	Caucasus & Central Asia
	Northern	Sub-Saharan	Eastern	South-Eastern	Southern	Western			

GOAL 1 | Eradicate extreme poverty and hunger

Reduce extreme poverty by half	low poverty	very high poverty	high poverty	high poverty	very high poverty	low poverty	—	moderate poverty	high poverty
Productive and decent employment	very large deficit in decent work	very large deficit in decent work	moderate deficit in decent work	very large deficit in decent work	very large deficit in decent work	very large deficit in decent work	very large deficit in decent work	moderate deficit in decent work	large deficit in decent work
Reduce hunger by half	low hunger	very high hunger	moderate hunger	moderate hunger	high hunger	moderate hunger	—	moderate hunger	moderate hunger

GOAL 2 | Achieve universal primary education

Universal primary schooling	high enrolment	moderate enrolment	high enrolment	high enrolment	high enrolment	moderate enrolment	—	high enrolment	high enrolment
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GOAL 3 | Promote gender equality and empower women

Equal girls' enrolment in primary school	close to parity	close to parity	parity	parity	parity	close to parity	away from parity	parity	parity
Women's share of paid employment	low share	medium share	high share	medium share	low share	low share	medium share	high share	high share
Women's equal representation in national parliaments	low representation	moderate representation	moderate representation	low representation	low representation	very low representation	very low representation	moderate representation	low representation

GOAL 4 | Reduce child mortality

Reduce mortality of under-five-year-olds by two thirds	low mortality	high mortality	low mortality	low mortality	moderate mortality	low mortality	moderate mortality	low mortality	low mortality
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GOAL 5 | Improve maternal health

Reduce maternal mortality by three quarters *	low mortality	very high mortality	low mortality	moderate mortality	high mortality	low mortality	high mortality	low mortality	low mortality
Access to reproductive health	moderate access	low access	high access	moderate access	moderate access	moderate access	low access	high access	moderate access

GOAL 6 | Combat HIV/AIDS, malaria and other diseases

Halt and begin to reverse the spread of HIV/AIDS	low incidence	high incidence	low incidence	low incidence	low incidence	low incidence	intermediate incidence	low incidence	low incidence
Halt and reverse spread of tuberculosis	low mortality	high mortality	moderate mortality	high mortality	moderate mortality	low mortality	moderate mortality	low mortality	moderate mortality

GOAL 7 | Ensure environmental sustainability

Reverse loss of forests	low forest cover	medium forest cover	medium forest cover	high forest cover	medium forest cover	low forest cover	high forest cover	high forest cover	low forest cover
Halve proportion of population without improved drinking water	high coverage	low coverage	moderate coverage	moderate coverage	moderate coverage	high coverage	low coverage	high coverage	moderate coverage
Halve proportion of population without sanitation	moderate coverage	very low coverage	low coverage	low coverage	very low coverage	moderate coverage	low coverage	moderate coverage	high coverage
Improve the lives of slum-dwellers	moderate proportion of slum-dwellers	very high proportion of slum-dwellers	moderate proportion of slum-dwellers	high proportion of slum-dwellers	high proportion of slum-dwellers	moderate proportion of slum-dwellers	moderate proportion of slum-dwellers	moderate proportion of slum-dwellers	—

GOAL 8 | Develop a global partnership for development

Internet users	high usage	low usage	high usage	moderate usage	low usage	high usage	low usage	high usage	high usage
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The progress chart operates on two levels. The words in each box indicate the present degree of compliance with the target. The colours show progress towards the target according to the legend below:

- Target already met or expected to be met by 2015.
- Progress insufficient to reach the target if prevailing trends persist.
- No progress or deterioration.
- Missing or insufficient data.

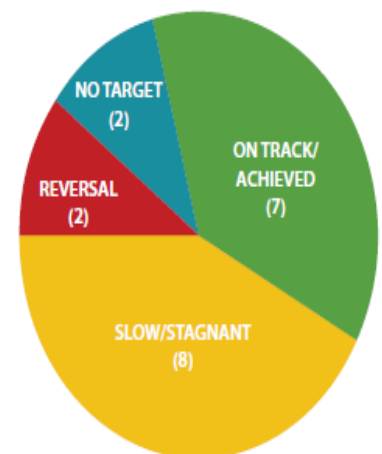
* Red colour refers to insufficient progress (i.e. MMR has declined less than 2 per cent annually).

For the regional groupings and country data, see mdgs.un.org. Country experiences in each region may differ significantly from the regional average. Due to new data and revised methodologies, this Progress Chart is not comparable with previous versions.

Sources: United Nations,—based on statistics available as of June 2011 - [http://www.un.org/millenniumgoals/pdf/\(2011E\)_MDReport2011_ProgressChart.pdf](http://www.un.org/millenniumgoals/pdf/(2011E)_MDReport2011_ProgressChart.pdf) accessed on 13 August 2011

STATUS AT A GLANCE: UGANDA'S PROGRESS TOWARDS THE MDGs

Goal 1: Eradicate extreme poverty and hunger	
Target 1.A: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	ON TRACK
Target 1.B: Achieve full and productive employment and decent work for all, including women and young people	NO TARGET
Target 1.C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger	ON TRACK
Goal 2: Achieve universal primary education	
Target 2.A: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	SLOW
Goal 3: Promote gender equality and empower women	
Target 3.A: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015	ON TRACK
Goal 4: Reduce child mortality	
Target 4.A: Reduce by two thirds, between 1990 and 2015, the under-five mortality rate	SLOW
Goal 5: Improve maternal health	
Target 5.A: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio	SLOW
Target 5.B: Achieve, by 2015, universal access to reproductive health	SLOW
Goal 6: Combat HIV/AIDS, malaria and other diseases	
Target 6.A: Have halted by 2015 and begun to reverse the spread of HIV/AIDS	REVERSAL
Target 6.B: Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it	ON TRACK
Target 6.C: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	SLOW
Goal 7: Ensure environmental sustainability	
Target 7.A: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	SLOW
Target 7.B: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss	SLOW
Target 7.C: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation	ON TRACK
Target 7.D: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers	NO TARGET
Goal 8: Develop a global partnership for development	
Target 8.B: Address the special needs of the least developed countries	REVERSAL
Target 8.D: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term	ACHIEVED
Target 8.E: In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries	STAGNANT
Target 8.F: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications	ON TRACK



Source: MFPED, 2010